

**Documents in support of The Rt. Honourable Brian Mulroney's testimony**

**THE RT. HONOURABLE BRIAN MULRONEY**

**INDEX**

<b>TAB</b>	<b>DOCUMENT</b>
1.	<b>September 9, 1985</b> , Open letter to Members of Parliament and Senators from Prime Minister Brian Mulroney (Appendix H)
2.	<b>Undated</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen proposal for Cape Breton facility (unsigned) (AGC01165)
3.	<b>February 3, 1986</b> , Application for the opening of an account and photocopy of two business cards (Paul Schnyder and André Strobel) (3 <sup>rd</sup> party document)
4.	<b>February 6, 1986</b> , Memorandum for the Prime Minister from Paul M. Tellier (c.c. to Bernard Roy) re: Thyssen A.G. Proposal (AGC01249)
5.	<b>February 14, 1986</b> , Memorandum for the Prime Minister from Paul M. Tellier (c.c. to The Honourable Erik Nielson) re: Possible Question in the House: Proposed Thyssen Plant in Cape Breton (AGC01172)
6.	<b>March 3, 1986</b> , Memorandum for the Prime Minister from Paul M. Tellier (c.c. to Bernard Roy) re: Further Foreign Policy Aspects of the Thyssen Proposal (AGC01204)
7.	<b>May 22, 1986</b> , Letter from Joe Clark to The Right Honourable Brian Mulroney (AGC01250)
8.	<b>May 29, 1986</b> , Memorandum to the Prime Minister from Paul M. Tellier (cc. to Bernard Roy) re: Letter from Mr. Clark on the Thyssen Proposal for Cape Breton (AGC01177)
9.	<b>February 13, 1987</b> , News Article from Val Sears entitled "Mulroney's top adviser an 'intensely loyal man' who learned from PM" ( <i>Toronto Star</i> ) (open-source document)
10.	<b>June 15, 1987</b> , Handwritten notes from Senator Murray (3 <sup>rd</sup> party document)
11.	<b>September 17, 1987</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen Proposal for Cape Breton Facility (AGC document)
12.	<b>October 7, 1987</b> , Message slip from Jaffray Wilkins re: draft letter from Lowell Murray to the Prime Minister (AGC00979)
13.	<b>October 22, 1987</b> , Message slip from Paul Bernier to The Honourable Lowell Murray re: draft letter to the Prime Minister and notes from a meeting held on October 20, 1987 (AGC00981)
14.	<b>December 22, 1987</b> , Letter from John M. Buchanan to The Honourable Brian Mulroney (AGC00261)
15.	<b>February 1, 1988</b> , Letter from Messrs. Massmann and Haastert to The Right Honourable Brian Mulroney and draft letter from Lowell Murray to Mr. Jurgen Massmann (AGC00096 and AGC00392)
16.	<b>February 4, 1988</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen Project in Nova Scotia – Status Report (For your meeting with Premier Buchanan) (AGC01183)
17.	<b>April 22, 1988</b> , Letter from Karlheinz Schreiber to The Hon. Robert Coates (3 <sup>rd</sup> party document)
18.	<b>June 14, 1988</b> , Letter from Lowell Murray to The Right Honourable Brian

TAB	DOCUMENT
	Mulroney (AGC00466)
19.	<b>July 11, 1988</b> , Memorandum from Don S. McPhail to The Honourable Lowell Murray re: Attached letter to the Prime Minister concerning Thyssen (AGC00192 and AGC00468)
20.	<b>July 18, 1988</b> , Document entitled The Thyssen Proposal (AGC00404)
21.	<b>July 19, 1988</b> , Memorandum to the Prime Minister from Paul M. Tellier re: Thyssen (AGC01187)
22.	<b>August 9, 1988</b> , Letter from Jean-Pierre Kingsley to Dr. J. Alfred Doucet / <b>August 25, 1988</b> , Letter from Joseph S. Stanford to Mr. J. Alfred Doucet (3 <sup>rd</sup> party document)
23.	<b>August 28, 1987</b> , Handwritten notes from Senator Murray (3 <sup>rd</sup> party document)
24.	<b>August 31, 1988</b> , Memorandum from Wynne Potter to Don S. McPhail re: Thyssen: Departmental concerns (AGC00195)
25.	<b>September 1, 1988</b> , Memorandum from D. S. McPhail to The Honourable Lowell Murray re: Thyssen: Update, and Attached Letter (AGC00291)
26.	<b>September 19, 1988</b> , Aide Mémoire – A Proposal by Bear Head Industries to Establish a Heavy Manufacturing Facility in Cape Breton (AGC00014)
27.	<b>September 27, 1988</b> , Understanding in Principle (AGC00348)
28.	<b>November 2, 1988</b> , various invoices and cheques (3 <sup>rd</sup> party document)
29.	<b>September 26, 1989</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen Industries (AGC00995)
30.	<b>November 28, 1989</b> , Letter from Karlheinz Schreiber to The Hon. Elmer Mackay (3 <sup>rd</sup> party document)
31.	<b>December 18, 1989</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Correspondence From the Canada-Israel Committee: Thyssen Project (AGC00854)
32.	<b>January 3, 1990</b> , Memorandum from Norman Moyer to Peter Lesaux (c.c. to Wynne Potter) (AGC document)
33.	<b>January 4, 1990</b> , Memorandum from Peter B. Lesaux to The Honourable Elmer MacKay re: Attached Letter to Thyssen (AGC document)
34.	<b>January 24, 1990</b> , Memorandum from Mr. R. Protti from Maureen Smith (c.c. to Ronald Bilodeau) (AGC document) / <b>January 25, 1990</b> , Letter from Bill McKnight to Mr. Karlheinz Schreiber (3 <sup>rd</sup> party document)
35.	<b>February 5, 1990</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen (AGC document)
36.	<b>Undated</b> , Memo to the Prime Minister from E. M. re: Bear Head Thyssen Project (3 <sup>rd</sup> party document)
37.	<b>May 11, 1990</b> , Letter from Laurent Beaudoin to The Right Honourable Brian Mulroney (AGC00022)
38.	<b>May 28, 1990</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Correspondence with Mr. Laurent Beaudoin, Bombardier (AGC01252)
39.	<b>July 12, 1990</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen/Bear Head Industries (AGC document)
40.	<b>August 10, 1990</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen/Bear Head Industries (AGC document)

TAB	DOCUMENT
41.	<b>October 17, 1990</b> , Letter from Elmer MacKay to The Rt. Hon. Brian Mulroney (unsigned) (3 <sup>rd</sup> party document)
42.	<b>October 31, 1990</b> , Memorandum from Ronald Bilodeau to P. M. Tellier re: Memorandum to Mr. N. Spector Thyssen/Bear Head Industries. (AGC document)
43.	<b>November 1990</b> , Memorandum of Understanding (signed by Elmer MacKay and Karlheinz Schreiber) (AGC00406)
44.	<b>December 10, 1990</b> , Memorandum for Norman Spector from Paul M. Tellier re: Thyssen/Bear Head Industries. Aide Mémoire attached (AGC document)
45.	<b>December 11, 1990</b> , Letter from Elmer MacKay (c.c. to The Honourable W. McKnight) to the Right Honourable Brian Mulroney (AGC document)
46.	<b>December 12, 1990</b> , Memorandum for Paul Tellier from Ronald Bilodeau re: Thyssen/Bear Head Industries (AGC document)
47.	<b>December 19, 1990</b> , Letter from Elmer MacKay to Norman Spector (AGC document)
48.	<b>December 20, 1990</b> , Letter from Roger S. Bacon to The Right Honourable Brian Mulroney (AGC01251) / <b>January 30, 1991</b> , Letter from Brian Mulroney to The Honourable Elmer MacKay and The Honourable Roger S. Bacon (AGC01251)
49.	<b>January 16, 1991</b> , Memorandum for Mr. Norman Spector from Paul M. Tellier re: Thyssen/Bear Head Industries (AGC document)
50.	<b>April 8-10, 1991</b> , Excerpts from Paul Tellier's Agenda (3 <sup>rd</sup> party document)
51.	<b>April 9, 1991</b> , Memorandum of Understanding (signed by Elmer MacKay and Karlheinz Schreiber) (AGC01152)
52.	<b>April 12, 1991</b> , Letter from J.A. Doucet to Paul Tellier (3 <sup>rd</sup> party document)
53.	<b>May 6-8, 1991</b> , Excerpts from Paul Tellier's Agenda (3 <sup>rd</sup> party document)
54.	<b>May 7, 1991</b> , Letter from Karlheinz Schreiber to Paul Tellier (AGC00026)
55.	<b>May 17, 1991</b> , Letter from Paul Tellier to Karlheinz Schreiber (3 <sup>rd</sup> party document)
56.	<b>July 1, 1991</b> , Letter from Karlheinz Schreiber to Mr. Fred Doucet forwarding letters with Alexander M. Haig (3 <sup>rd</sup> party document)
57.	<b>April 2, 1992</b> , Memorandum for the Prime Minister from Paul M. Tellier re: Thyssen Proposal (AGC00810)
58.	<b>May 13, 1992</b> , Letter from Karlheinz Schreiber to the Hon. Marcel Masse (AGC00030)
59.	<b>June 24, 1992</b> , Memorandum for the Prime Minister from Glen Shortliffe (for Paul M. Tellier) re: Thyssen BHI Proposal to Develop a Peace-Keeping Vehicle (AGC document)
60.	<b>September 17, 1992</b> , Memorandum for Mr. Hugh Segal from Glen Shortliffe re: Thyssen BHI Peacekeeping Vehicle Proposal. (AGC document)
61.	<b>December 4, 1992</b> , Memorandum from Harry Swain to The Honourable Michael H. Wilson (cc. to The Honourable Tom Hockin and The Honourable William C. Winegard) re: Bear Head Industries (Thyssen) Proposal to develop and establish a manufacturing facility for Light Armoured Vehicles (LAV) in Montreal, Quebec (AGC01156)
62.	<b>January 1993</b> , Article by Wolfgang Schneider (International Defense Review) entitled "Thyssen Henschel's TH 495 MICV" and Thyssen Henschel materials: Henschel Defense Technology TH 495 (3 <sup>rd</sup> party document)
63.	<b>May 5, 1993</b> , Letter from Andrus Villu (Office of the Under Secretary of Defense in Washington) to General Lehowics from TRADOC (unsigned) (3 <sup>rd</sup> party document)
64.	<b>May 21, 1993</b> , Letter from Major-General A.C.P. Stone from the Ministry of Defence (London, UK) to Jürgen Massmann (3 <sup>rd</sup> party document)
65.	<b>June 10, 1993</b> , Document entitled "NATO Unclassified", Chapter 2 – Introduction (3 <sup>rd</sup> party document)

TAB	DOCUMENT
66.	<b>June 1993</b> , schedule for the Prime Minister for the month of June 1993 (3 <sup>rd</sup> party document)
67.	<p><b><u>Materials relating to Brian Mulroneys Corporation</u></b></p> <p><b>A. July 15, 1993</b>, Notice of Directors (Form 6) and Notice of Registered Office (Form 3) signed by Marie-Andrée Latreille (Incorporator)</p> <p><b>B. July 16, 1993</b>, Certificate of Incorporation and Articles of Incorporation (Form 1) and Schedules 1 and 2</p> <p><b>C. August 2, 1993</b>, Notice of Change of Directors (Form 6)</p> <p><b>D. August 23, 1993</b>, Articles of Amendment (Form 4) signed by Mr. Mulroneys</p> <p><b>E. September 8, 1993</b>, Certificate of Amendment re: Cansult Communications Inc. Date of the Amendment</p> <p><b>F. March 5, 1997</b>, Notice of Change of Registered Office (Form 3) signed by Alain Paris</p> <p><b>G. November 25, 2008</b>, Corporate information for Cansult Communications Inc. from the Web site strategis.gc.ca</p> <p><b>H. Annual Returns (Form 22)</b> for 1994 to 1996 and 1998 to 2008 (3<sup>rd</sup> party document)</p>
68.	<b>August 2, 1993</b> , Extract from Agreement entered into August 2, 1993 between Ogilvy Renault and Brian Mulroneys (3 <sup>rd</sup> party document)
69.	<b>August 20, 1993</b> , Draft Statement of Claim – Bear Head Industries Ltd. and Thyssen Industrie Henschel AG (Plaintiffs) and Her Majesty the Queen in Right of Canada, The Attorney General of Canada, William McKnight and Marcel Masse (Defendants) (3 <sup>rd</sup> party document)
70.	<b>August 26, 1993</b> , Proposal “Thyssen Project in Canada” (third-party document)
71.	<b>September 9, 1993</b> , Memorandum from Helmut Zankl to file re: Thyssen visit August 26, 1993 (meeting with Ministers Corbeil and Charest) (AGC00208)
72.	<b>October 1 to 11, 1993</b> , Agenda of trip to Asia, The Right Honourable Brian Mulroneys (3 <sup>rd</sup> party document)
73.	<b>December 14, 1993</b> , Message for KHS (while you were out), M. Fred Doucet’s office (3 <sup>rd</sup> party document)
74.	<b>August 18 to 30, 1994</b> schedule for the Right Honourable Brian Mulroneys and the family trip to Cyprus and Russia (3 <sup>rd</sup> party document)
75.	<b>September 21, 1994</b> , Fax from Francine Collins, assistant to the Right Honourable Brian Mulroneys to Ambassador Benoit Bouchard and agenda for trip to Brussels and Paris (3 <sup>rd</sup> party document)
76.	<b>December 5, 1994</b> , Fax from Fred Doucet to Francine Collins (with attachments, including extract from the 1994 White Paper) (3 <sup>rd</sup> party document)
77.	<b>December 8, 1994</b> schedule for the Right Honourable Brian Mulroneys (re: New York trip) (3 <sup>rd</sup> party document)
78.	<b>December 28, 1994</b> , Letter from Karlheinz Schreiber to Allan J. MacEachen P.C. (3 <sup>rd</sup> party document)
79.	<b>September 29, 1995</b> , Letter of Request to the competent legal authority of Switzerland (3 <sup>rd</sup> party document)
80.	<b>November 24, 1995</b> , Letter from Thyssen Industrie AG to The Honourable Allan Rock, Minister of Justice (AGC00522)
81.	<b>January 5, 1997</b> Settlement Agreement (3 <sup>rd</sup> party document)
82.	<b>January 30 to February 6, 1994</b> schedule for the Right Honourable Brian Mulroneys (re: Zurich trip) (3 <sup>rd</sup> party document)



TAB	DOCUMENT
83.	June 2, 1999 interview of Brian Mulroney by Brian Stewart (CBC)
84.	August 20, 1999, Article by Philip Mathias entitled "Mulroney asks Schreiber to clear the Airbus air: Former PM wants businessman release bank records" (National Post) (open-source document)
85.	October 9, 1999, interview of Luc Lavoie by Harvey Cashore (CBC)
86.	October 13, 1999, interview of Luc Lavoie by Harvey Cashore (CBC)
87.	October 20, 1999 transcript of <i>the fifth estate</i> "The Mysterious Deal-Maker" (CBC)
88.	October 20, 1999, Letter from Edward L. Greenspan, Q.C. to Mr. Daniel J. Henry (CBC Legal Department) (3 <sup>rd</sup> party document)
89.	October 28, 1999, Memo to file authored by Fred Doucet (3 <sup>rd</sup> party document)
90.	December 26, 1999, Fred Doucet's notes (3 <sup>rd</sup> party document)
91.	January 11, 2000, Fred Doucet's notes (3 <sup>rd</sup> party document)
92.	January 26, 2000, Letter from Robert W. Hladun, Q.C. to Edward L. Greenspan, Q.C. (3 <sup>rd</sup> party document)
93.	February 4, 2000, Documents entitled "Mandate" (3 <sup>rd</sup> party document)
94.	August 27, 2000, Fred Doucet's notes (3 <sup>rd</sup> party document)
95.	September 5, 2000, transcript of <i>the fifth estate</i> entitled "Mulroney comments on Karlheinz Schreiber" (CBC)
96.	March 14, 2001, transcript of <i>the fifth estate</i> entitled "Choppers, Plots and Cold Hard Cash" (CBC)
97.	April 18, 2001, Article from Frank Magazine entitled "Airbus Redux" (open-source document) (AGC01220)
98.	2004, <i>A Secret Trial</i> by William Kaplan, Chapter I- The Prince of Penne (open-source document)
99.	April 17, 2003, Letter from G. Zaccardelli to The Right Honourable Brian Mulroney, P.C., C.C. (3 <sup>rd</sup> party document)
100.	September 24, 2004, Fax from Francine Collins, Assistant to the Right Honourable Brian Mulroney to Luc Lavoie (attaching June 15, 2004 letter from Yves Fortier to William Kaplan and Phillip Cercone) (3 <sup>rd</sup> party document)
101.	October 8, 2004, News Article by Paul Waldie entitled "Schreiber, Mulroney were close, book says (\$300, 000 cash payments were legal, former PM's spokesman says) (open-source document)
102.	March 1, 2005, Letter from Luc Lavoie to Linden MacIntyre (3 <sup>rd</sup> party document)
103.	March 17, 2005, Letter from Robert W. Hladun, Q.C. to Mr. Daniel J. Henry re: "Airbus" (3 <sup>rd</sup> party document)
104.	January 16, 2006, Letter from L. Yves Fortier, C.C., Q.C. to Mr. Guy Fournier and Mr. Robert Rabinovich (CBC) re: 5 <sup>th</sup> Estate and Airbus matter (3 <sup>rd</sup> party document)
105.	February 8, 2006, transcript of <i>the fifth estate</i> (CBC)
106.	March 2, 2006, Email from <a href="mailto:welcome@savoy-zuerich.ch">welcome@savoy-zuerich.ch</a> to <a href="mailto:schreiberbarbel@aol.com">schreiberbarbel@aol.com</a> and calendar for February 1998 (3 <sup>rd</sup> party document)
107.	March 22, 2007, Amended Statement of Claim, Karlheinz Schreiber (Plaintiff) and Brian Mulroney (Defendant) (3 <sup>rd</sup> party document)
108.	September 9, 2007, interview of Brian Mulroney by Lloyd Robertson entitled "Triumph and Treachery: the Brian Mulroney Story" (CTV)
109.	October 31, 2007, transcript of <i>the fifth estate</i> (CBC)
110.	October 31, 2007, News article from Greg McArthur entitled "Brian Mulroney: The payments and the taxman" ( <i>Globe and Mail</i> ) (open-source document)

TAB	DOCUMENT
111.	November 5, 2007, Email from Luc Lavoie to Francine Collins forwarding emails he exchanged with Bruce Campion-Smith (AGC00989)
112.	November 7, 2007, Affidavit sworn by Karlheinz Schreiber (third-party document)
113.	November 8, 2007, News Article by Greg McArthur entitled "Mulronev adviser asked Schreiber to transfer Airbus funds, affidavit alleges" ( <i>Globe and Mail</i> ) (open-source document)
114.	November 9, 2007, News article by Greg McArthur entitled "The Mulronev-Schreiber Saga: The meeting at the Hotel Savoy" ( <i>Globe and Mail</i> ) (open-source document)
115.	November 21, 2007, News Article by Jack Aubry entitled "Mulronev admits mistake" ( <i>CanWest News Service</i> ) (open-source document)
116.	December 7, 2007, News article by Norma Greenaway entitled "Mulronev's ultimate righthand man, Fred Doucet, plays key role in story" ( <i>CanWest News Service</i> ) (open-source document)
117.	2007, Brian Mulronev: The Unauthorized Chapter- Timeline: <i>the fifth estate</i> : CBC News (open-source document)
118.	January 14, 2008, Email from Chase Manhattan Bank (michael.lipsitz@chase.com) to fanny.l.sliwinski@chase.com, Collins, Francine, allen_frederick@jpmorgan.com Re: Fw: RE: Brian Mulronev (3 <sup>rd</sup> party document)
119.	January 16, 2008, Fax from Chase Manhattan Bank (Michael Lipsitz, Esq.) to Hon. Brian Mulronev (3 <sup>rd</sup> party document)
120.	January 28, 2008, Letter from Chase Manhattan Bank (Michael Lipsitz) re: "Brian Mulronev" (3 <sup>rd</sup> party document)
121.	March 14, 2008, News article from Greg McArthur entitled "How one file set off Schreiber's string of mystery payments" ( <i>Globe and Mail</i> ) (open-source document)
122.	April 23, 2009, "The Metropolitan Club" (open-source document)
123.	Undated, photographs
124.	Letters from Wilfrid Lefebvre to Canada Customs and Revenue Agency dated January 10, 2000, January 27, 2000 and February 2, 2000
125.	-
126.	November 12, 2007, News article from <i>thestar.com</i> entitled "Brian Mulronev issues full statement" (open-source document)
127.	December 3, 2008, transcript of <i>the fifth estate</i> (CBC)



## THYSSEN PROJECT IN CANADA

### Proposal

Thyssen BHI has offered to commence activity in Canada through an Initial R&D prototype activity for the TH 495 Multi Purpose Base Armoured Vehicle (MBAV) series of vehicles.

Upon securing support of the Canadian Government for the complete R&D phase, Thyssen will establish a Canadian prototype development facility followed by the placement of the world production mandate for the TH 495 MBAV at its Canadian facility for the full range of vehicle variants which are developed with Canadian prototype development support. The resulting export sales and advanced technology jobs will be of significant benefit to Canada.

### Market

The target market for the TH 495 is international exports to NATO and NATO friendly countries where there is a pending demand of some 15,000 vehicles in the MBAV category. A NATO study on the MBAV concept and requirement which is due for release this autumn, confirms the company's approach to the critical area of vehicle design requirements. The Thyssen TH 495 meets or exceeds the preferred NATO MBAV design in every important category, and is the only vehicle existing in NATO countries to do so.

### Employment

Direct employment associated with MBAV production							
Year	1	2	3	4	5	6	7
Phase 1 Prototype R&D	50	50	50				
Phase 2 MBAV Production			80	180	310	470	585
Total:	50	50	130	180	310	470	585

### Additional Doubling of Employment through Diversification

After commencement of production in MBAV, a diversification will commence in the field of industrial products from the vast range of Thyssen held technologies. The objective of the diversification phase is to achieve an equal level of non-defence activities in this Canadian facility which will translate into a further doubling of the above MBAV employment projection.

### Canadian Situation

There is no Canadian company with a competitive technological capability to develop an original vehicle design, as has been done with the Thyssen TH 495. The only company of significance in the field of armoured vehicles is GM Diesel Division (GMDD) of London, Ontario, and they are not original vehicle developers, but rather a licensed builder of the Swiss Mowag vehicle. It would not be reasonable to expect GMDD to be able to acquire a world product mandate for a vehicle capable of competing successfully internationally in the MBAV category.

26 August 1993







Government of Canada

Gouvernement du Canada

MEMORANDUM

NOTE DE SERVICE

TO  
A  
FROM  
DE

To File

Helmut Zankl  
Sr Proj Manager  
Marine & Land Def Systems

SECURITY - CLASSIFICATION - DE SÉCURITÉ
CONFIDENTIAL
OUR FILE - N / RÉFÉRENCE
5063-B15 [C]
YOUR FILE - V / RÉFÉRENCE
DATE
September 9, 1993

SUBJECT  
OBJET Thyssen visit August 26, 1993

Present: Ministers Charest and Corbeil

K H Schreiber, President, Bear Head Industries  
F Ducet, Legal Counsel, Bear Head Industries

Purpose:

To solicit support for the company's proposal to locate in Montreal East a facility dedicated to the manufacture of military vehicles.

Summary of Discussions:

- ⊙ Thyssen will not provide a business plan. Thyssen adamant that this information would be made known to DDGM.
- ⊙ DND, (Lt Col Ray & Maj Hutton) it seems, has indicated a preference for Thyssen vehicle.
- ⊙ Thyssen - General Dynamics venture on track and doing well.
- ⊙ Former Minister of National Defence, M. Masse, has agreed to test, certify and assist marketing the Thyssen vehicle.
- ⊙ Thyssen requires immediate decision. Early announcement. Proceed with joint Gov/Comp press release.
- ⊙ Civil Servants not to be involved. Ministers make decision in total absence of Business plan and civil service input.

.... / 2

CONFIDENTIAL

- 2 -

- ⊙ Thyssen vehicle chosen vehicle by NATO member countries for peace keeping role.
- ⊙ NATO countries have immediate requirement for 2,000 units.
- ⊙ Nato countries have overall requirement for 15,000 units.
- ⊙ World wide replacement of existing inventories are 100,000 units plus.
- ⊙ Thyssen recognizes money problems/shortages. Some leadway on \$60 million government(s) assistance package.
- ⊙ Initially test, certify, and marketing assistance. Subsequently, commence manufacture in Montreal East.

Observations:

- ⊙ Company aggressively pursuing Quebec Ministers
- ⊙ No Business plan. Do not involve civil servants.
- ⊙ DND to commence testing, certification, and assist with marketing Thyssen vehicle.

Attach: Relevant DND/NATO background material.

1. BEAR HEAD INDUSTRIES (A DIVISION OF THYSSEN INDUSTRIE AG)

Further to Minister Charest's and Corbeil's meeting August 26, 1993, with Messrs K. Schreiber, President and Legal Counsel F. Ducet on the company's proposal to locate a manufacturing facility for military vehicles in Montreal East, we contacted DND to ascertain the nature of commitments made by the former Minister of National Defence, M. Masse, to test, certify and assist Thyssen with marketing the company's vehicle.

DND informs us that no commitments were made. However, DND has indicated that should Thyssen wish to proceed, DND would consider testing the Thyssen vehicle on a cost recovery basis. DND has reaffirmed that they would neither certify nor participate in marketing the Thyssen vehicle.

NOT USUALLY DONE

EXTERNAL  
With respect to NATO plans for a peace keeping vehicle, DND informs us that although NATO member countries have discussed possible requirements for approximately 12,000 units, this is in no way binding. Also, there are no guarantees that the Thyssen vehicle would be chosen nor is it known when procurement would commence.

Appended is a copy of DND's Ministerial briefing.

Departmental contact: Helmut Zankl, 954-3789  
Dick Krajewski, 954-3388

September 8, 1993

5063-B15





*Update: September 30, 1993*

## AGENDA OF TRIP TO ASIA

October 1 to 11, 1993

The Right Honourable Brian Mulroney (TRHBM)

[REDACTED]  
(7 business people)  
[REDACTED]

C-GPGD Crew:

Pilots :  
Stand-by Pilot :  
Engineer :  
In-Flight Service:

[REDACTED]

Friday  
October 1

(5 business people)

15:45 departure  
17:45 arrival local time

TRHBM-1  
C-GPGD- Montréal (Exeaire) to Vancouver  
Flight time: (5 hours -3 hours time difference)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Saturday  
October 2

[REDACTED]

on C-GPGD: TRHBM (4 business people)

12:00 departure  
14:05 arrival local time

Vancouver to Anchorage (Alaska)(customs & refueling)  
(Flight time: 3 hrs 05min. -1hr time difference)

14:35 departure  
15:45 arrival local time

Anchorage to Bethel (Alaska) (refueling)  
(Flight time: 1hr 10min.- no time difference)

16:15 departure  
16:10 arrival local time  
ON OCTOBER 3RD

Bethel to Tokyo (Flight Exeaire #0051)  
(Flight time: 6hrs 55 min. + 17hrs time difference)

[REDACTED]

Monday  
October 4

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(6 business people)

16:45 departure  
19:55 arrival local time

on C-GPGD: TRHBM-  
Tokyo to Beijing  
Flight time: (4hrs 10min. -1hr time difference)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Tuesday**  
October 5

- 8:30 **TRHBM** (8 business people)  
Potential breakfast with Ambassador of Canada in Beijing, Mr. Fred Bild  
T.B.C. by Canadian Embassy.
- 10:00-11:00 **TRHBM** (8 business people)  
Visit of the Ministry of Post and Telecommunication, PRC
- 11:30-13:30 **TRHBM** (8 business people)  
Meeting and lunch with Mr. Wei MingYi,  
Chairman, CITIC  
Location: Beijing Hotel
- 13:30-14:10 Rest in Beijing Hotel
- 14:30-15:30 **TRHBM** (8 business people)  
Meeting with Mr. Liu Huaqiu,  
Vice Minister, Foreign Affairs of the  
People's Republic of China
- 15:45-16:45 **TRHBM** (7 business people)  
Meeting with Minister of Electric Power,  
Mr. Shi Dazheng
- 17:00-17:55 Rest in
- 18:15-20:15 **TRHBM** (8 business people)  
Meeting and Banquet hosted by His Excellency, Zhu Rongji,  
Vice-Premier, People's Republic of China  
Location: The Great Hall of People

**HOTEL:**

**China World Hotel (CONFIRMED)**  
No. 1 Jian Guo Men Wai Avenue  
Da Bei Yao, Beijing 100004  
tel: 011-86-1-505-2266  
fax: 011-86-1-505-0828/3178  
(October 4, 5 & 6)

**Wednesday**  
October 6

- 8:00-9:00 **TRHBM** (8 business people)  
Breakfast with Institute of Foreign Affairs of PRC.  
Mr. Zhang Wepu, Vice-Chairman  
Location: China World Hotel
- 10:00-11:00 **TRHBM** (8 business people)  
Visit of the Ministry of Radio, Film & Television
- 11:30-13:30 **TRHBM** (8 business people)  
Meeting and lunch hosted by His Excellency, Rong Yiren,  
Vice-Chairman of the State, PRC  
Location: Capital Mansion, 50th Floor
- 14:00-16:00  
Proposed site seeing in Beijing  
(Forbidden City, Temple of Heaven)
- 17:00  
Potential meeting with TRHBM and His Excellency Fred Bild,  
Ambassador of Canada in Beijing  
T.B.C. by Canadian Embassy
- 18:00 **TRHBM** (7 business people)  
Banquet hosted by [REDACTED] inviting all Chinese  
people met during two previous days (including Shanghai  
people)  
Location: Diaoyutai Guest House

**HOTEL:**

**China World Hotel**  
No. 1 Jian Guo Men Wai Avenue  
Da Bei Yao, Beijing 100004  
tel: 011-86-1-505-2266  
fax: 011-86-1-505-0828/3178  
(October 4, 5 & 6)

Thursday  
October 7

(7 business people)

9:00 departure  
10:35 arrival local time

on C-GPGD: TRHBM!  
Beijing to Shanghai  
(Flight time 1hr 35 min, no time difference)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**HOTEL**

Portman Shangri-La Hotel  
1376 Nanjing Xi Lu  
Shanghai 200040  
tel: 011-86-21-279-8888  
fax: 011-86-21-279-8999  
(October 7)

[REDACTED]



Friday  
October 8

9:00 departure  
10:50 arrival local time

on C-GPGD: TRHBM (7 business people)  
Shanghai to Hong Kong  
(Flight time 1hr 50 min. no time difference)  
(Cathay Pacific: 011-852-769-6239)

[REDACTED]

HOTEL:

Grand Hyatt- Hong Kong  
1 Harbour Road  
Hong Kong  
tel: 011-852-588-1234  
fax: 011-852-802-0677  
(October 8, 9, 10)

[REDACTED]

**Saturday**  
October 9

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

16:00 Departure to Hong Kong

18:30 Arrival in Hong Kong

[REDACTED]

Hotel:

**Grand Hyatt- Hong Kong (CONFIRMED)**  
1 Harbour Road  
Hong Kong  
tel: 011-852-588-1234  
fax: 011-852-802-0677  
(October 8, 9, 10)

Sunday  
October 10

[REDACTED]

21:30

Departure of delegation to airport

[REDACTED]

23:10 departure  
5:35am arrival local time  
on October 11th

TRHBM (6 business people)  
Hong Kong to Paris (Charles de Gaulle)  
on Cathay Pacific #261  
(flight time: 13hrs 25min)

Guest List  
Banquet hosted by [REDACTED]  
October 6th, 1993, Beijing

Update: Sept.23/93

**CHINESE GROUP**

His Excellency, Rong Yiren, Chairman of the State, People's Republic of China  
His Excellency, Zhu Rongji, Vice-Premier, People's Republic of China

Mr. Liu Huaqiu, Vice Minister of Foreign Affairs of the PRC

Mr. Wei Mingyi, Chairman, CITIC Beijing  
Mr. Yang Guanqi, Vice-Chairman, CITIC Beijing  
Mr. Yao Jinrong, President, China International Economic Consultants Inc.  
Mr. Lu Zongbao, Secretary to the Chairman, CITIC Beijing  
Mr. Gao Xiao Qun, Assistant to Vice-Chairman, CITIC Beijing  
Mr. Liu Yuong, Public Relations Department, CITIC Beijing  
Mr. Wen Xuejun, Public Relations Department, CITIC Beijing  
Mr. Huang Xiang, Public Relations Department, CITIC Beijing  
Mr. Zhu Youda, Public Relations Department, CITIC Beijing

Mr. Gao Kong Liang, President, CITIC Shanghai  
Mr. Meng Zhen Guan, Deputy Manager, Business Department, CITIC Shanghai

Mrs. Zheng Shujun, Lawyer, C&C Law Firm, Beijing

Mr. Wu Cheng Lin, Vice-Chairman, Shanghai Zhangjiang Hi-Tech Park Development Co.  
Mr. Zhou Shu Zhuang, Deputy Manager, Project Management Dept., " " " "  
Mr. Lin Yuan, Engineer, Enterprise Management Dept., " " " " " "  
Mrs. Wu Ping, Project Management Dept., " " " " " "

Mr. Shi Dazhen, Minister, Ministry of Electric Power, PRC  
Mr. Tan Aixing, Director, Dept. of International Cooperation, Ministry of Electric Power, PRC  
Mrs. Ran Ying, Director General, Department of Planning, Ministry of Electric Power, PRC  
?, Minister, Ministry of Radio, Film & Television, PRC

Mr. Liu Shuqing, Chairman, Institute of Foreign Affairs  
Mr. Zhang Wenpu, Vice-Chairman, Institute of Foreign Affairs

**SUB-TOTAL: 25**

**CANADIAN GROUP**

The Right Honourable Brian Mulroney  
His Excellency Fred Bild, Ambassador of Canada



(Business people / Provincial officials)



**SUB-TOTAL: 16**

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**GRAND-TOTAL: 41**



# MESSAGE FOR

M RHS  
WHILE YOU WERE OUT

M Fred Doucet's office

OF \_\_\_\_\_

PHONE NO. \_\_\_\_\_

TELEPHONED		RETURNED YOUR CALL	
CALLED TO SEE YOU		PLEASE CALL	
WANTS TO SEE YOU		WILL CALL AGAIN	

MESSAGE: Brian Mulroney  
47 Forden Cresc.  
Westmount, Montreal

Tel: 514-369-8111

DATE 14.12.93 TIME \_\_\_\_\_

RECEIVED BY \_\_\_\_\_

L2F-99216  
RECYCLED PAPER



GRAND & TOY







**SCHEDULE FOR THE RIGHT HONOURABLE BRIAN MULRONEY  
AND THE FAMILY  
AUGUST 18 TO 30, 1994**

**EVENTS:** Visit to Cyprus  
Visit to Russia

**TIME CHANGE:** Larnica is 7 hours ahead Montreal.  
Moscow is 8 hours ahead Montreal.  
St. Petersburg is 8 hours ahead Montreal.  
Kiev is 7 hours ahead Montreal.  
London is 8 hours ahead Montreal.

**TEMPERATURE** In Cyprus it will be very hot 95 degrees Fahrenheit.  
In Russia it will be between 55 and 60 degrees Fahrenheit during the day and between 40 to 50 degrees Fahrenheit during the night.

**ATTIRE:** In Cyprus, for the reception the attire is dark suit and short dress.  
For the other events the attire is very informal light clothes.  
  
In Russia the attire is business suit for the meeting with Mr. and Mrs. Yeltsin and very informal warm clothes for the visit of museums and city tours.

**Thursday, August 18, 1994:**

05:15PM An Agent from the RCMP will pick up the Mulroney family at the residence and proceed to the airport.

07:10PM **MBM, MPM and the family** and an Agent from the RCMP depart Montreal - Mirabel - AC-866 File no: SD6PKQ - Seats 4A-B-D-E et 5-A-B

**Note:**

The agent from the RCMP who will accompany the Mulroney family is M. Claude Riendeau: (O) (613) 993-6700 - (H) (613) 834-6369.

**Friday, August 19, 1994:**

06:45AM Arrive London - Heathrow

09:30AM Depart London - Cyprus Airways-327

tel: 011-357-5-310222  
fax: 011-357-5-310887

Sunday, August 21, 1994:

TBD                    Cyprus/Limassol city tour with all the Mulroney family.  
Accommodation:  
  
Four Seasons Hotel  
Limassol  
tel: 011-357-5-310222  
fax: 011-357-5-310887

Monday, August 22, 1994:

TBD                    MBM, MPM and the family and an Agent from the RCMP  
depart Cyprus on corporate plane to Moscow - Airport  
Sheremetyevo-1  
  
Accommodation:  
  
Stay at Volynskoye-3.

Tuesday, August 23, 1994:

TBDAM                MBM, MPM and the children and an Agent from the RCMP  
depart from Moscow to Sochi by a special flight.  
  
TBD                    Stay in Sochi.  
  
Note:  
1. The programme provides for a meeting with President B.  
Yeltsin and his wife, a round of the city and its surroundings  
  
Accommodation:  
  
TBD

Wednesday, August 24, 1994:

TBDAM                MBM, MPM and the children and an Agent from the RCMP  
depart Sochi to Irkutsk.  
  
TBDPM                MBM, MPM and the children and an Agent from the RCMP  
arrive in Irkutsk

AGENDA FOR THE RIGHT HONOURABLE BRIAN MULRONEY  
 AUGUST 1994 - 25/11/2008 - 2:19

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	2	3	4	5	6	
	8	9	10	11	12	13
	15	16	17	18	19	20
21 Mother's Birthday	22 Depart Cyprus private plane to Moscow	23 Moscow to Sochi	24 Sochi to Irkutsk	25 Irkutsk	26 Irkutsk to Moscow	27 Moscow to St. Petersburg by special plane.
28 St. Petersburg	29 St. Petersburg/Paris by special plane. Paris/Montreal	30	31			





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For missing or illegible pages please call fax operator at (514) 647-4737 or send a telex to 05-25362.

NUMBRE DE PAGES INCLUANT CELLE-CI  
NUMBER OF PAGES INCLUDING COVER LETTER

1

**OGILVY  
RENAULT**

S.E.N.C.

AVOCATS  
BARRISTERS & SOLICITORS  
1901 avenue McGill College  
Montréal (Québec) Canada H3A 3C1  
Tel: (514) 647-4747

Numéro de télécopieur/Fax No: (514) 286-1238 (personnel)

21 septembre 1994

EXPÉDITEUR/FROM:

Francine Collins  
Adjointe du très honorable Brian Mulroney  
Assistant to the Right Honorable Brian Mulroney

DESTINATAIRE(S) / TO: ↓

AMBASSADEUR BENOIT BOUCHARD	AMBASSADE CANADIENNE	PARIS	011-44-43-29-95
-----------------------------	----------------------	-------	-----------------

MESSAGE: ↓

Cher monsieur Bouchard,

Le très honorable Brian Mulroney et Madame Mila Mulroney seront à Paris du 27 au 30 septembre 1994. M. Mulroney arrivera à Paris le 27 septembre à 5:45PM en provenance de Bruxelles par avion privé à l'aéroport Le Bourget tel: 33-1-49-92-7575 sur un Challenger canadien. No. d'identification: C-GPGD - Handler - Transair. L'Hôtel où les Mulroney résideront pendant leur séjour est le St-Régis, 12 rue Goujon Paris - tel: 33-1-43-59-41-90. Madame Mulroney arrivera mercredi matin, soit le 28 septembre à l'aéroport Charles de Gaulle en provenance de Toronto - Départ de Toronto 08:15PM-CP-54 arrivée à Charles de Gaulle à 09:30AM. J'ai communiqué avec votre secrétaire le 21 septembre dernier qui m'a confirmée qu'un représentant de l'ambassade sera présent pour l'arrivée de M. Mulroney (27/9) ainsi que pour l'arrivée de Mme Mulroney (28/9). Auriez-vous l'amabilité de me confirmer par fax le nom de la personne qui accueillera M. et Mme Mulroney et m'indiquer si une limousine s'occupera de les conduire à l'hôtel St-Régis. Auriez-vous également l'amabilité de m'indiquer si cette limousine pourra répondre aux besoins de M. et de Mme Mulroney durant leur séjour à Paris ainsi que pour le retour de l'hôtel à l'aéroport? Pour votre information, M. et Mme Mulroney quitteront Paris, en direction de Hong Kong, le 30 septembre à l'aéroport Charles de Gaulle sur le vol Cathy Pacific-260.

Merci de votre collaboration et au plaisir de vous lire sous peu afin que je puisse faire les arrangements nécessaires pour le transport terrestre, le cas échéant.

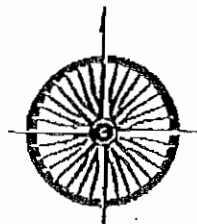
Francine Collins

AGENDA FOR THE RIGHT HONOURABLE BRIAN MULRONEY  
 SEPTEMBER 1994 - 20/11/2008 - 11:10

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4 Nicolas Birthday	5 OFFICE CLOSED					
	(**)					
11				15	16	17
18	19	20	21			
(*)	(E)	(E)	(*)		(*)	(E)
25	26	27 MEM - Bruxelles	28 MEM - Bruxelles	29	30	
		Travel Bruxelles to Paris on private plane.	Travel Bruxelles to Paris on private plane.	Paris	01:30PM-MBM-MFM Paris/Hong Kong	
		6:30PM-MFM-MJ/Paris				



THE GOVERNMENT BUSINESS CONSULTING GROUP INC.  
HALIFAX • OTTAWA • NEW YORK



TO/À: Francine Colin

COMPANY/SOCIÉTÉ: \_\_\_\_\_

FROM/DE: Fred Doucet DATE: December 5, 1994

INCLUDING THIS PAGE/INCLUANT CETTE PAGE: 8 PAGES

ORIGINAL/ORIGINALE: 514-286-5474

MESSAGE: Dear Francine:

Could you kindly put this into Mr. Mulroney's file for our  
New York meeting. Thanks.

SHOULD THERE BE ANY PROBLEMS WITH THIS TRANSMISSION, PLEASE CONTACT/  
POUR TOUT PROBLÈME DE TRANSMISSION, VEUILLEZ COMMUNIQUER AVEC

SUITE 320, 440 LAURIER AVE. WEST  
OTTAWA, ONTARIO, CANADA K1R 7X6  
TEL (613) 782-2336 FAX (613) 782-2428

5 Dec 11 1994



12/01/1994 16:52 THYSSEN BHI

6135637648 10704015 P.01



MEMO

**TO:** Fred Doucet

**FROM:** Greg Alford

**TEL:** 613-563-3321

**FAX:** 613-563-7648

**DATE:** December 1, 1994

**SUBJECT:** Defence White Paper Release and Letter

**PAGES:** 6

---

Defence White Paper released today, 3 key pages attached:

Also attached is letter to Minister of Defence for signature by J. Massmann.

Please call Greg Alford if any changes to the letter are necessary.

immediately to identify options and plans to put into service new affordable replacement helicopters by the end of the decade.

The Special Joint Committee on Canada's Defence Policy found that submarines can conduct underwater and surface surveillance of large portions of Canada's maritime areas of responsibility, require relatively small crews, can be operated for roughly a third of the cost of a modern frigate, and work well with other elements of the Canadian Forces. It also recommended that, if it should prove possible in the current environment of military downsizing around the world to acquire three to six modern diesel-electric submarines on a basis that was demonstrably cost-effective (i.e., that could be managed within the existing capital budget), then the Government should seriously consider such an initiative. The United Kingdom is seeking to sell four recently constructed conventional submarines of the *Upholder*-class, preferably to a NATO partner. The Government intends to explore this option.

To maintain sufficient capability to sealift troops, equipment and supplies for multilateral operations, the support ship *HMCs Provider* (initially slated to be paid off in 1996) will be retained in service, and plans for the eventual replacement of the existing fleet will be considered. Starting in 1995, the navy will receive the first of 12 modern Maritime Coastal Defence Vessels (to be crewed primarily by reservists), intended to provide a coastal defence and mine countermeasures capability that has been lacking.

#### Operational Land Forces

The importance of the Canadian Forces' mission to support an allied land campaign in Central Europe has diminished, allowing the withdrawal of our forces from Europe. Multi-purpose combat capabilities are now maintained to carry out a wide variety of domestic and international operations.

Canada's land forces will be adequately equipped to carry out their new array of tasks. The materiel of the three brigade groups will be improved. Current plans call for the acquisition of a variety of modern equipment essential to the maintenance of a multi-purpose combat-capability.

There exists, for example, a recognized operational deficiency in the armoured personnel carrier fleet. Its mobility, protection and defensive firepower must be brought into line with the modern requirements of environments likely to be encountered in today's UN and other multilateral missions. The Canadian Forces will, therefore, acquire new armoured personnel carriers for delivery, commencing in 1997. Modernization of part of the present inventory will add other suitably armoured personnel carriers to the fleet. The relatively new *Bison* APCs will be retained in service.

The fleet of *Cougar* armoured training vehicles that are part of the army's close-combat, direct-fire capability in peace and stability operations will eventually have to be replaced.

re. What approach  
Strategy

## CONCLUSION

Several years after the fall of the Berlin Wall and the collapse of the Soviet empire, Canada finds itself in a world fundamentally transformed, characterized by considerable turbulence and uncertainty. Similarly, at home, Canadians now live and work in a society of more limited resources and new challenges, where many of the old rules and certainties have lost their validity. In these circumstances, ensuring Canada's security and defining an appropriate role for our armed forces is more than ever a challenge for all Canadians.

With this White Paper, the Government has fulfilled its obligation to provide Canadians with an effective, realistic and affordable defence policy. From the outset, our objective was not to discard sound practices in favour of simplistic solutions. Rather, the Government was committed to reviewing carefully every aspect of Canada's defence policy so that it could make reasoned judgements on how best to ensure the nation's security and well-being. At the heart of our approach were extensive and far-reaching public consultations, lasting for most of 1994. The Government believes the defence policy enunciated in this White Paper reflects a Canadian consensus.

The White Paper affirms the need to maintain multi-purpose, combat-capable sea, land and air forces that will protect Canadians and project their interests and values abroad. It also concludes that to maximize the contributions of our armed forces, their traditional roles — protecting Canada, cooperating with the United States in the defence of North America, and participating in peacekeeping and other multilateral operations elsewhere in the world — should evolve in a way that is consistent with today's strategic and fiscal realities.

The Canadian Forces will maintain core capabilities to protect the country's territory and approaches, and to further national objectives. Given that the direct military threat to the continent is greatly diminished at present, Canada will reduce the level of resources devoted to traditional missions in North America. It will, however, remain actively engaged in the United Nations, NATO, and the Conference on Security and Cooperation in Europe. It will become more actively involved in security issues in Latin America and the Asia-Pacific region.

To achieve these goals, the Regular and Reserve Forces will both be reduced and refocused, the command and control system will be reorganized, and affordable equipment will be purchased so our troops have the means to carry out their missions. The Department of National Defence and the Canadian Forces will operate more efficiently, making optimum use of infrastructure and equipment, and ensuring full value is derived from the skills, experience

and professionalism of Canada's armed forces and civilian defence employees. The Government will also work towards harmonizing industrial and defence policies to maintain essential defence industrial capabilities.

This policy recognizes that the defence budget will be under continuing pressure as the Government strives to bring the deficit under control. More reductions can and will be accommodated, including the military reductions outlined in this Paper and cuts in the Department's civilian workforce arising from a number of additional facilities closures and consolidations. Further savings will be achieved through the elimination, reduction or delay of major acquisition projects currently included in the capital program. Only a few major re-equipment programs remain affordable, and these will directly support the new defence priorities identified in the White Paper. Taken together, these measures will have substantial implications for the Department and the Forces, their members and employees, as well as for local communities and the private sector across Canada.

This White Paper provides Canada's men and women in uniform and their civilian colleagues the direction they require to carry out their duties on behalf of the nation, whether the world of the future is a peaceful and stable one, or is plagued by increasing violence within and among states. Indeed, whatever the future brings, the new defence policy will enable Canada to respond and adjust as necessary to deal with the range of challenges to our security that could arise, now and into the next century.

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Suite 909, 360 Sparks Street, Ottawa, Ontario, Canada K1R 7G8  
Telephone: (613) 563-3321 - Telefax: (613) 563-7648

December 1, 1994

Hon. David Collette  
Minister of National Defence  
MGen George Pearkes Building,  
101 Colonel By Dr.,  
Ottawa Ontario  
K1A 0K2

Dear Minister:

As you are aware, Thyssen BHI, a division Thyssen Industrie AG has been established in Canada for seven years, and seriously interested in bidding on the requirements of the Canadian Armed Forces in the field of armoured vehicles. It was our understanding that when a procurement program came up, we would have a chance to bid. In fact, we received formal written commitment that we would be given the opportunity to bid against possible Canadian requirements through a letter from the Minister of Defence dated on January 25, 1990, and an Understanding in Principle from the Ministers of Defence, DRIE and ACOA dated September 27, 1988.

Accordingly, we followed with great interest the proceedings of the Special Joint Committee on Defence Policy and noted that their report included a recommendation for the priority acquisition of new armoured personnel carriers (APC's). We now note that this deficiency is identified in your 1994 Defence White Paper which declares in part the intention to "acquire new armoured personnel carriers for delivery commencing in 1997"

We therefore write to express our keen interest in responding to this APC replacement initiative. In the area of operational requirements we have maintained contact over recent years with the user side of DND to ensure that we had the best possible understanding of the performance characteristics envisaged for a new armoured vehicle. We matched these with criteria found in the international market to guide us in design of our new vehicle, the TH495.

The TH 495 family of tracked vehicles is designed to meet the operational requirements of multi-purpose forces that include in their mission the need to perform peacekeeping and/or rapid reaction assignments. It also closely matches the NATO MNAV study for future light armoured vehicles.

Among the many key performance characteristics I would highlight TH495's ability to





THYSSEN BHI

2

provide high armour protection without compromise to payload and mobility. Equally important is the growth potential of TH495 offered through its modular design with features such as a digital bus system, a commercial engine with up-rateable power output, modular armour, etc. With the significant financial outlay that a new APC project will represent, it is logical that the vehicle Canada selects should be expected to be able to offer these features in order to give the best value.

TH 495 is an "off the shelf" product as defined by DND to the Canadian Defence Preparedness Association, and we can confirm it could be available off Canadian production in 1997. TH 495 is a privately funded development, the prototypes of which have been operating in Company trials for several thousand kilometres. An APC configured TH 495 has been delivered last week to Malaysia for customer trials. Additionally, we have confirmed that a very significant export market will exist for TH 495 over the next 15 - 20 years.

Earlier this month the prospect of TH 495 as the vehicle system for a multilateral cooperative program was realized through joint activities in Germany and Britain. Specific bilateral talks were initiated by the German Army after their recent decision to include a tracked vehicle as a portion of their acquisition plan under the GTK project. In the interest of finding common ground with additional potential cooperative program partners, I understand that German and British officials have invited the Canadian Army to consider participation in the proposed cooperative program which is based on TH 495. As a tracked vehicle the TH 495 possesses an inherent off-road mobility superior to any equivalent wheeled vehicle. This capability maintains the Army's required general purpose capacity. [The GTK project also includes plans for a wheeled vehicle acquisition under a separate bilateral Franco/German project.]

We see this interest in Multilateral Cooperation as very consistent with our objectives as an industrial developer of the TH 495. As an independent development, we have been able to minimize the risk in design by using an assembly of the most advanced but proven components. This optimizes design while meeting the broadest possible market and lowering the cost of the production vehicle. It is the Company's preference to manufacture TH 495 in Canada with high Canadian content through partnerships with Canadian companies and concurrent industrial benefits. We would also intend to manufacture in Canada for export which would create significant new jobs, both at our facility as well as among Canadian sub-contractors. On this point, it is important to note that the export market for TH 495 is distinctly different from that which can be reached by General Motors.

Based on our previous contacts with your department, including recent discussions with the Senior ADM Mateneil, we have been assured that the APC procurement will be based on the Army's operational requirements and will be met by an open bidding.



THYSSEN BHI

3



THYSSEN BHI

3

process in which we will be able to participate. I trust that this remains your intent as I am concerned by a recent press report and other indications that the matter may be managed differently. Now that your APC replacement requirement is specifically confirmed in the White Paper, I would welcome your early assurance in regard to your tendering process.

Sincerely,

Jürgen Massmann  
President



**SCHEDULE FOR THE RIGHT HONOURABLE BRIAN MULRONEY**  
**DECEMBER 8, 1994**

**EVENT:** Meeting with Mr. Karlheinz Schreiber

**GROUND TRANSPORTATION:**

Professional Limo Service - New York  
Contact: Maria (718) 932-0101

**Thursday, December 8, 1994:**

**06:45AM** An Agent from the RCMP will pick you up at the residence and proceed to the airport

**07:40AM** **MBM** and Mr. A. Doucét depart Montreal/Dorval Airport - Delta 1185 - Seat 3-C-D

**09:00AM** **MBM** arrives New York/La Guardia

Sal will pick you up at the airport and proceed to the hotel

**11:00AM** Meeting with Karlheinz Schreiber  
Le Pier Hotel  
61st Street and Fifth Avenue  
New York, NY  
tel: (212) 838-8000

**03:45PM** Sal will pick you up at the hotel and proceed to the airport

**04:58PM** **MBM** and Mr. A. Doucét depart New York/La Guardia Airport AC-751- Seat 2-E-C

**06:14PM** **MBM** and Mr. A. Doucét arrive Montreal/Dorval Airport

An Agent from the RCMP will pick you up at the airport and proceed to the residence

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2

**OGILVY  
RENAULT**

S.E.N.C.

AVOCATS  
BARRISTERS & SOLICITORS  
1981 avenue McGill College  
Montréal (Québec) Canada H3A 3C1  
Tel: (514) 847-4747.

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1 décembre 1994

EXPÉDITEUR/FROM:

Francine Collins  
Adjointe du très honorable Brian Mulroney  
Assistant to the Right Honorable Brian Mulroney

DESTINATAIRE(S) / TO: ↓

MIKE	PROFESSIONAL LIMO SERVICE	NEW YORK	(718) 278-3413
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MESSAGE: ↓

Dear Mike:

The Right Honourable Brian Mulroney will be in New York on December 8, 1994. Please find his schedule attached hereto. Would you please ask Sal to take care of Mr. Mulroney during his stay in New York?

I would appreciate if you could confirm to me that you have received this fax as well as the fax I have sent to you yesterday.

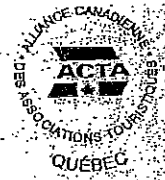
Many thanks for your assistance in this matter.

Yours sincerely,

Francine Collins

Encl.,





NO. TP8 R133500165 TVQ 1011408725

DATE : 09 DEC 1994  
 DOSSIER : 3011Y  
 CLIENT : C708  
 AGENT : MARLETTE

CANBOLT COMMUNICATIONS INC  
 A/S MME RACHELLE CYR  
 4700 DE LA SAVANE SUITE 214A  
 MONTREAL QUEBEC  
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MULRONEY/D RIGHT HONORABLE

---ITINERAIRE---

DE	A	TRANSPORT	VOL/CL	DATE	DEP	ARR	ET
MONTREAL/DORVAL	NYC/LAGUARDIA	DELTA	1185 F	08 DEC 94	0730	0900	DK
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NUMEROS DE BILLET

MULRONEY/D RIGHT HONORABLE

TARIF TRANSPORT ALERTE	CAD	2407.00	
TAXE TPS	CAD	18.62	
TAXE AQTH	CAD	40.00	
TOTAL PARTIEL	CAD	2465.62	
A PAYER	CAD	2465.62	





## KARLHEINZ SCHREIBER

BISMARCKSTRASSE 27 • TELEFON (0 31 81) 7884 • TELEFAX (0 31 81) 7886

December 28, 1994

The Hon. Allan J. MacEachen P.C.  
 381 S Center Block  
 The Senate of Canada  
 Ottawa, Ontario  
 K1A 0A4

PERSONAL AND CONFIDENTIAL

Dear Allan,

It's been quite a long time since we have heard from one another. The year 1994 brought the pleasures of my 60th birthday in March 25 and a very unpleasant car accident in May. The birthday celebration was terrific but the accident caused a few injuries that prevented my joining you in the Vancouver meeting of Atlantik-Brücke at the end of October. Walter Laisler Klap and Beate Lindemann kept me well informed about the proceedings in Vancouver and I understand that beautiful city was greatly enjoyed by all of the participants.

Allan, for many years we have shared a common interest through the Atlantik-Brücke. You have supported in a most outstanding way the goals of the Atlantik-Brücke to cherish and expand the friendly relationship between North America and Germany.

To honour your great achievements, in October 1993 you were awarded the Bundesverdienstkreuz (Distinguished Service Cross) of Germany by Premier Dr. Kurt Biedenkopf on behalf of the Bundespräsident. All of us in the Atlantik-Brücke were very pleased that you received this award, and I considered it a special honour to be the host of the festive dinner.

I spoke with our mutual friend Premier Biedenkopf (King Kurt) at the Atlantik-Brücke gala "Youth for Understanding" event in New York, and learned from him that the next meeting will be in Germany at the Erzgebirge. I look forward to seeing you then and hope that you may be able to spend an extra day to visit Bärbel and I at our home.

-2-

One year ago December 15th I met with you at your office and expressed great concern for the deficient equipment of the Canadian Army in their peacekeeping assignments. Last month, I read the Report of the Special Joint Committee on Canada's Defence Policy - Security in a Changing World 1994, and found that the Committee recognized this same problem and recommended early action to procure new armoured personnel carriers (APC's) for the Canadian Army.

I am glad that the Government in its subsequent White Paper on Defence showed great resolve to address that equipment shortfall with its announced priority procurement of new APC's with better armour protection, for delivery commencing in 1997. I know that you strongly supported these efforts and commend you and the Liberal Government in the House, for such positive action.

I would like to bring to your attention events that occurred over the past ten years and which are in direct contradiction to the goals of the Atlantik-Brücke.

#### History

At the end of 1985 and the beginning of 1986 the Canadian Government, represented by your Ambassador in Bonn, and the Department of Regional Industrial Expansion (DRIE) Minister Sinclair Stevens and his senior officials, tried to increase German investments to Canada. They expressed the special interest of the Government of Canada in alleviating the unemployment in Nova Scotia and especially Cape Breton, hoping to establish a new economic infra-structure and industrial base. They even proposed a free trade zone for that region. Your former constituency including Port Hawkesbury was particularly affected through the shutdown of the Gulf Refinery and the closing of the heavy Water Plants which resulted in a considerable loss of jobs.

The Thyssen Group of Companies - which has now been established in Canada for over twenty five years presently employs almost 3,000 Canadians - was among the German industrial groups invited to consider increasing investment in Canada. Thyssen was invited to Canada by the Government to consider increasing manufacturing activities in Canada as a base not only for Canadian but also global markets. The interests of the Canadian Government were naturally taken very seriously by Thyssen, and by 1986 discussions commenced on the potential to establish a new plant for military and non-military products at Port Hawkesbury.

-1-

Apart from some aid in the provision of a site and basic infrastructure, Thyssen did not request traditional financial assistance through establishment grants on the necessary capital investment, but preferred instead to secure an order for about 250 light armoured vehicles, which would have meant a production load of one year.

At this time a DND requirement was being developed for 2000+ armoured personnel carriers (APC's). The 1987 White Paper on Defence, confirmed this requirement. DND actually stated that sole sourcing orders was not Canadian procurement policy and on that basis, placement of an order for 250 light armoured vehicles with Thyssen Bear Head Industries as a start up order was impossible.

In order to start-up the project earlier, based on export markets, Minister Stevens asked the Department for External Affairs to identify its export policy with respect to armoured vehicles. The answer was negative with regard to Saudi Arabia and this position was accepted by Thyssen. However, a few days later a damaging press story based on a "leak" of information from the External Affairs Department appeared in the Canadian Press which misrepresented Thyssen's position in this regard and damaged the firm's image.

Some weeks later, the then Minister for External Affairs, Joe Clark, was reported in the Canadian media to have been in Saudi Arabia, promoting the sale of LAV's produced by CM in Canada. Naturally, Thyssen felt they were observing a double standard that supported an American investor in Canada while obstructing German investment.

On September 27, 1988 an Understanding in Principle between the Government of Canada, represented by the Ministers responsible for ACOA, Regional Industrial Expansion and National Defence and Thyssen B.H.I. was signed. On January 25, 1990 Thyssen B.H.I. received a letter from the Minister of National Defence again stating the Government's interest in establishing a new industrial plant in Cape Breton, Nova Scotia and granting the Government's approval to Thyssen B.H.I. to participate in the tendering process for DND's armoured vehicle requirements.

-4-

Despite these promises DND has placed two sole sourced orders with GM Diesel Division at London, Ontario; the first for 199 Bison vehicles in 1989, and again another order for 229 LAV reconnaissance vehicles in 1991.

You will recall that during our discussions over the years I have informed you of these events. Francis LeBlanc MP has a familiarity with this project and often made efforts to support it. Edmond Chiasson, the secretary of the Thyssen B.H.I. since its foundation until 1992 had been frustrated by these twists and turns. Thyssen B.H.I.'s lawyer, Marc Lalonde, has also expressed his amazement at the inconsistent procurement practices of the Progressive Conservative Government over the years. Together I think we have all been surprised by the extraordinary contradictions of policy that the previous Government has made.

#### Legal Point of View

In 1993, Ian Scott of the law firm Gowling, Strathy & Henderson, examined the situation between the Government of Canada and Thyssen B.H.I. in a formal legal opinion and finding grounds for a legal claim prepared a Statement of Claim which the company intended to pursue at the time. You will recall that I shared these documents with you on December 15, 1993 for your confidential information. Though our lawyers advised we had a sound legal case, we refrained from entering an action in the summer of 1993 because by that time the Progressive Conservative Party was expected to lose the coming Federal election, and the company felt that with a Liberal Government such proceedings were unlikely to recur. This decision was taken by Thyssen B.H.I. with complete confidence that the new Liberal Government elected October 25th, 1993, would give the project a fair hearing and every opportunity to proceed on a "level playing field".

#### Current Discussions with Government

On December 14, 1993, Thyssen B.H.I. submitted a detailed export market analysis for the Thyssen TH495 light armoured vehicle to a Government committee led by Industry Canada and including representatives from National Defence and Foreign Affairs and International Trade. That committee then carried out an independent analysis of the export market described for TH495. The Company's market analysis



-5-

estimates a total market of some 35,000 units, with a market share for TH495 of approximately 20%, leading to Canadian exports approaching \$10 billion over the next 15 to 20 years.

There was extensive consultation between the Company and the Government committee over the next several months leading to the point when Industry Canada began in July 1994 to confirm their conclusions verbally in formal meetings with our company. Those discussions with the company are summarized as follows:

With respect to total market for the tracked TH495, the company and Government agreed that the market could be examined in four segments: i) specific Nato Nations Projects, ii) Non specific NATO Demand, iii) Specific non NATO Nations Projects and iv) additional non NATO Demand. On the first three of those segments there was general agreement that a gross market of between 17,000 units (Gov't estimate) and 19,000 units (Thyssen estimate) exists. The forecast of TH495 market share was estimated in a range from 9% (Gov't estimate) to 25% (Thyssen estimate).

With this important agreement on a basic market existing, and a further agreement that TH495 can be expected to win a share of that market, it is then reasonable to expect that the probable market which will be achieved will fall in the range between 9% and 25%.

The fourth market segment dealing with non-NATO markets accessible within Canadian export policy is estimated by the Company at approximately 6,000 units from which is forecast a market share of about 20%. Timing of this market segment is generally later with its peak being reached in 2008 - 2014.

Industry Canada officials have indicated they have now finished their review of this segment and are expected to provide a written acknowledgement of their views on this as well as the earlier agreed segments. Given the goodwill extended on all sides we hope any obstacles to providing acknowledgement of this market opinion have been overcome and we can look forward to receiving this any day now.



### International Market

#### NATO

In 1991, the NATO working group of experts (WGE), which included Canadian participation, tabled a report on the state of light armoured vehicles in service among its members, recognizing the problems of aging fleets and the impracticality of upgrades due to their increasing costs and risk of being unable to meet escalating demands for protection and mobility in comparison to newer technology. The recommendation of this group was for the design of a new Multi Purpose Base Armoured Vehicle (MPBAV) concept which could offer high protection, mobility, capacity and growth potential in a vehicle which was airtransportable by C130 Hercules aircraft. The objective of the MPBAV initiative was to promote a vehicle concept(s) which could achieve high acceptance in NATO and non-NATO fleets thereby lowering unit and logistic cost and achieving the benefits of interoperability among fleets.

The NATO Industrial Advisory Group (NIAG) for armoured vehicles, was tasked with the development of the MPBAV concept with an Outline NATO Staff Target (ONST) listing 20 essential characteristics. The NIAG study brought together traditional competitors to make generic recommendations for new armoured vehicle concepts which define the most cost effective solution to meet the ONST requirements for a new generation MPBAV, utilizing affordable, modern but proven technologies in order to avoid developmental risk.

-7-

The ONST for the MRAV understandably was very similar to the Canadian Multi Role Combat Vehicle (MRCV) which was postponed in 1992; since both had very similar objectives to cost effectively acquire modern equipment with high protection, high tactical mobility, C-130 airportability and high growth potential. I base that observation on the MRCV requirements as they had been briefed by DND to industry, as well as the written outline from the Minister of National Defence via the Canadian Ambassador to the German Department of Defence. Returning to the NATO MRAV study, it is now a fact that there cannot be a singular NATO MRAV solution due to a variety of national programs which will be pursued beforehand, causing NATO to cease the MRAV program with the conclusion of the NIAG concept definition. Nonetheless, the essential target of promoting joint programs has been achieved, since among most national programs there is a commitment to buy systems consistent with the MRAV concepts #1 and #3 and to seek participation in multi lateral programs based on common chassis types. As an example, Germany has plans to participate in two joint programs, on their requirements for their GTK project. For the tracked portion of GTK they are co-operating with the U.K. and focusing on the newly developed Thyssen TH495 as the platform, which fully meets the MRAV concept #1 design. For the wheeled portion of GTK they will cooperate with France to acquire a new wheeled vehicle design which is being jointly developed, and is similar to MRAV concept #3 which defines a large 8 wheeled vehicle without the ability to air-transport by C130. In both of these projects Canada has been invited to participate, in order to enjoy the benefits of lower costs and equipment interoperability. To my knowledge, the Canadians have looked at the wheeled project, but were waiting until announcements of the White Paper before joining the discussion on the joint program for tracks.

Another proposed option is to retrofit or "upgrade" the old in-service M113s. As I mention above, the NATO MRAV Study dismisses this as impractical due to the rising costs of upgrades and the inability of these old vehicle designs to meet requirements for protection and mobility and given its age and the large numbers in service, this criticism was in particular aimed at M113.

-8-

While on the surface the idea of upgraded M113 may sound good, and may improve protection, one must understand the complexity of the work involved and the compromises it requires. First, to carry the weight of additional armour protection the engine and transmission have to be replaced, which entails a virtual tear down and rebuild of the entire vehicle. In addition to the new power train, high cost conversion components supplied by the U.S. manufacturer must also be incorporated. This leads to costs that approach the acquisition price of a new vehicle, but still leaves some shortcomings in protection from land mines which have caused some of the most serious and frequent injuries to Canadian soldiers on peacekeeping missions. Also, the "good as new" argument for upgrades leaves some doubt when one considers the basic hull and operating systems which are retained in the upgrade, are on average already some 20 years old.

Lastly, one must recognize that upgrading old vehicles can achieve no economic benefit to Canada through exports since every nation would expect to do this work domestically with kits supplied from the United States. I believe the alternative of buying new vehicles, which fully serve the long term needs of the Army in terms of protecting growth potential etc., and offer strong new opportunity for exports is a better national economic choice when fully examined.

#### Foreign Affairs and Trade

For 10 years I have been able to note how much defence and peacekeeping interests, foreign policy and economic investments, and the placement of industrial orders are connected. I support the recent Report of the Special Joint Committee reviewing Canadian Foreign Policy, in their recommendations to broaden and liberalize Canada's trade relations. I bid our friends from Atlantic-Brücke, Andre Ouellet and Roy MacLaren every success and hope that they are able to implement these recommendations quickly and strengthen Canada's economic base.

German Investment in Canada and USA

Allen, you will recall the recent Atlantik-Brücke meeting in Ruelberg when Uwe Harpak from the Canadian German Chamber of Commerce mentioned the problem of the decline in German investments to Canada. Not to mention the lack of interest found in Frankfurt when Premier Raa visited this November, I would like to recall a disappointing experience I have had trying to assist Quebec for a German automotive investment.

In 1992, at the personal request of Premier Bourassa and Minister Tremblay, I tried to assist the Government of Quebec in its already fading efforts to attract the BMW automobile company to establish its North American production plant in Québec. What I found was that their efforts had been ineffective due to inadequate interest being shown by their own Federal Government. In contrast the U.S. offer had support at the highest level of Federal and State government. It has been my experience that pivotal international deals like that only come with "hands on" involvement of top leaders.

During the summit at Munich in July 1992, President George Bush and the Governor of South Carolina went to BMW and secured the final decision in favour of South Carolina. Meanwhile, Daimler-Benz established a new automobile plant in Alabama.

My colleagues at BMW and Daimler-Benz tell me that a great number of their auxiliary suppliers are launching additional investments for plants in the same region of the United States in order to supply to BMW and Mercedes.

From the perspective of the Thyssen Group, Canadian investments are significant and positive but since the late 1980's there has been disappointment at the treatment received from the government on the Thyssen B.H.I. project. On the other hand, Thyssen US investments grow at a very positive rate and most recently sales have exceeded \$1.5 billion, with a workforce of some 10,000. New plants have been built in Indiana, Kentucky and Michigan.

-10-

In concluding this letter, I think it a catastrophe if foreign investors can no longer rely on written agreements and approvals of the Canadian Government and have to be afraid that signed agreements are simply ignored. For more than ten years Thyssen has tried through the B.H.I. project to create new, and most importantly, lasting jobs through a new industry producing equipment for peacekeeping and general purpose military use. So far these efforts are in vain since although the elected Government has changed we have yet to see any change in the way in which our proposal is treated...

I do hope that Thyssen will get a fair chance to bid against the APC requirements now planned for the Canadian Army. DND always told Thyssen, that Canadian procurement policy is based on fair competition and that sole sourcing is not the policy of the Canadian Government.

If for any reason the Government does not want to consider competitive offers on its APC requirement, then at best, I hope they will not limit themselves only to the acquisition of more wheeled vehicles from General Motors. I would urge consideration of a solution which can also include the tracked TH495 vehicle in the new equipment purchases, since this will carry the economic benefit of manufacturing the TH495 in Canada for both the domestic and export market. Thyssen projects a market share for TH495 approaching \$10 billion over the next 15 to 20 years. This new export business for Canada will create qualified technical jobs for young Canadians and that not only meets the objectives of Canada but also the objectives of Atlantik-Brücke.

The splitting of the APC requirement will most importantly benefit the Canadian Army since presently they operate a mixed fleet of wheels and tracks. While much of that fleet is aging and inadequate in protection, it still provides the specific all-terrain mobility of tracked

-11-

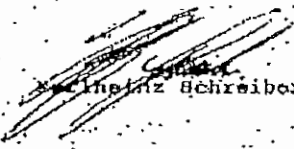
vehicles that continue to be essential for multi purpose capability. This has been particularly proven in the difficult terrain of Bosnia where trucks have been essential in winter conditions or circumnavigating road blocks.

With regard to me personally, you know that I do not need a job with Thyssen as I am economically independent with my own companies. I accepted this position as Chairman of Thyssen B.H.I. because I believed in the commitments of elected Canadian politicians and because I liked the challenge to establish a new industrial operation with lasting jobs and exports for Canada. Most of all I hoped to create economic return for Canada's generous contribution to the world through peacekeeping with the export of peacekeeping vehicles made in Canada as a first step to establishing an industry to manufacture an entire range of equipment used for peacekeeping.

Allan, I would appreciate it very much if in the interest of Canada's image as a fair international trading partner, you could check into this matter, perhaps discussing with Andre Ouellet and Roy MacLaren. Also if you would like to share a copy of this letter with them that would be fine with me.

Thank you for your interest. Michel and I look forward to seeing you again soon and send you our warmest season's greetings. May the year 1995 be a happy, successful and healthy one for you.

Sincerely,



Heinz Schreiber







## LETTER OF REQUEST

TO: THE COMPETENT LEGAL AUTHORITY OF SWITZERLAND

### REQUEST FOR ASSISTANCE

The Minister of Justice and the Attorney General of Canada respectfully requests the Competent Legal Authority of Switzerland to assist the Government of Canada in a matter concerning the investigation of violations of Canadian criminal laws.

### ASSURANCE

On behalf of the Government of Canada, I give the assurance to the Competent Legal Authority of Switzerland that:

1. In similar criminal investigations, Canada will extend to the Government of Switzerland reciprocal cooperation and is ready and willing to render assistance to Switzerland in accordance with the law of Canada; and
2. All information, documentation or other evidence provided to Canada by the Competent Legal Authority of Switzerland is requested solely for use in relation to the investigation and prosecution of alleged violations of Canadian criminal law by Martin Brian MULRONEY and/or Frank MOORES; both are Canadian citizens and residents of Canada.

The Royal Canadian Mounted Police (the "RCMP") is an investigative agency with legislated responsibility under the RCMP Act, to conduct criminal investigations. The RCMP Commercial Crime Section of Ottawa, Ontario, Canada is conducting a criminal investigation of "Frauds on the Government" under Section 121(1) of the Criminal Code of Canada R.S.C. 1985, chapter C-45, as amended, hereinafter referred to as the "Code". Charges under the above noted section will be considered upon conclusion of the investigation. These charges would be prosecuted by the Attorney General of Ontario through his agent in Ottawa.

Canada

SUMMARY OF THE LAW

Section 121(1) of the Code states that:

121. (1) Every one commits an offence who

- (a) directly or indirectly
- (i) gives, offers or agrees to give or offer to an official or to any member of his family, or to any one for the benefit of an official, or
  - (ii) being an official, demands, accepts or offers or agrees to accept from any person for himself or another person, a loan, reward, advantage or benefit of any kind as consideration for cooperation, assistance, exercise of influence or an act or omission in connection with
  - (iii) the transaction of business with or any matter of business relating to the government, or
  - (iv) a claim against Her Majesty or any benefit that Her Majesty is authorized or is entitled to bestow,
- whether or not, in fact, the official is able to cooperate, render assistance, exercise influence or do or omit to do what is proposed, as the case may be;
- (b) having dealings of any kind with the government, pays a commission or reward to or confers an advantage or benefit of any kind on an employee or official of the government with which he deals, or to any member of his family, or to any one for the benefit of the employee or official, with respect to those dealings, unless he has the consent in writing of the head of the branch of government with which he deals, the proof of which lies on him;
- (c) being an official or employee of the government, demands, accepts or offers or agrees to accept from a person who has dealings with the government a commission, reward, advantage or benefit of any kind directly or indirectly, by himself or through a member of his family or through any one for his benefit, unless he has the consent in writing of the head of the branch of government that employs him or of which he is an official, the proof of which lies on him;
- (d) having or pretending to have influence with the government or with a minister of the government or an official, demands, accepts or offers or agrees to accept for himself or another person a reward, advantage or benefit of any kind as consideration for cooperation, assistance, exercise or influence or an act or omission in connection with
- (i) anything mentioned in subparagraph (a)(iii) or (iv), or
  - (ii) the appointment of any person, including himself, to an office;

- (e) gives, offers or agrees to give or offer to a minister of the government or an official a reward, advantage or benefit of any kind as consideration for cooperation, assistance, exercise of influence or an act or omission in connection with
    - (i) anything mentioned in subparagraph (a)(iii) or (iv), or
    - (ii) the appointment of any person, including himself, to an office; or
  - (f) having made a tender to obtain a contract with the government
    - (i) gives, offers or agrees to give or offer to another person who has made a tender or to a member of his family, or to another person for the benefit of that person, a reward, advantage or benefit of any kind as consideration for the withdrawal of the tender of that person, or
    - (ii) demands, accepts or offers or agrees to accept from another person who has made a tender a reward, advantage or benefit of any kind as consideration for the withdrawal of his tender.
- (2) Every one commits an offence who, in order to obtain or retain a contract with the government, or as a term of any such contract, whether express or implied, directly or indirectly subscribes or gives, or agrees to subscribe or give, to any person any valuable consideration.
- (a) for the purpose of promoting the election of a candidate or a class or party of candidates to Parliament or the legislature of a province; or
  - (b) with intent to influence or effect in any way the result of an election conducted for the purpose of electing persons to serve in Parliament or the legislature of a province.
- (3) Every one who commits an offence under this section is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.



## SUMMARY OF FACTS

In the Fall of 1984, Martin Brian MULRONEY, born March 20, 1938, currently residing at 47 Forden Crescent, Westmount, Quebec, Canada, was elected Prime Minister of Canada. As Prime Minister, Mr. MULRONEY would have the power to control all the business of the Government of Canada except where the powers have been removed by Statute. The powers would include the ability to have government contracts approved or to exert influence upon the Minister responsible for the approval of the contract. He would have the power to appoint and dismiss Ministers who would not cooperate with his wishes. His duties were to administer the business of government in the best interests of Canadians.

Frank MOORES, born February 18, 1933, currently residing at 403 Clarke Avenue, Montreal, Quebec, Canada, was the Premier of the Province of Newfoundland, Canada from January, 1972 to March, 1979 and is a strong political supporter of Mr. MULRONEY. After leaving the job as Premier, he became a director of a private Canadian lobbyist company called GCI Government Consultants International Incorporated from November 6, 1984 to present. The purpose of this company is to lobby the government for the interests of their clients who would consist of private companies or individuals.

On March 13, 1985, Mr. MULRONEY appointed Mr. MOORES to the Board of Directors of Air Canada, which at the time was a Crown corporation solely owned and funded by the Government of Canada. Mr. MOORES resigned from the Board of Directors on September 12, 1985 when it became known that Airbus Industrie was one of his clients at GCI and that he was in a conflict of interest position while Air Canada was negotiating the purchase of a new fleet of aircraft with Airbus, Boeing, and McDonald Douglas. As a Director of Air Canada, Mr. MOORES would be considered to be an "official" under section 121(1) of the Code.

International Aircraft Leasing (IAL) is a Liechtenstein company, owned by another Liechtenstein company called Kensington Anstalt which is owned by Frederick Herman Karlheinz SCHREIBER, born March 25, 1934 and currently residing in Kaufaring, Germany. Mr. SCHREIBER is a Canadian citizen.

On March 7, 1985, IAL signed an agreement with Airbus Industrie of Toulouse, France, which provided that IAL would receive commissions of 2 to 2.5 percent of each contract that Airbus Industrie obtained for the sale of aircraft in Canada. On March 13, 1985, Mr. MULRONEY appointed Mr. MOORES to the Board of Directors of Air Canada. The RCMP has reliable information that Mr. SCHREIBER was given these commissions in order to pay Mr. MULRONEY and Mr. MOORES to ensure that Airbus Industrie obtained a major contract with Air Canada for the planned upgrade of their aircraft fleet.

The RCMP has been advised that Frank MOORES went to the Schweizerischer Bankverein Zurich in Zurich, Switzerland in 1986 or 1987 to open two bank accounts numbered 34107 and 34117, the latter account using password "Devon". The account 34117 was opened to channel a portion of the funds to Mr. MULRONEY.

On March 30, 1988, after an extensive evaluation process, the Board of Directors of Air Canada, approved the purchase of 34 Airbus A320 aircraft from Airbus Industrie at a total of approximately 1.8 billion dollars (Canadian). The contract was signed on September 26, 1988 by Air Canada officials after receiving approval from the Treasury Board of Canada. The Treasury Board consists of Cabinet Ministers or Members of Parliament who are appointed to the Board by the Prime Minister.

In March, 1985, the German magazine "der Spiegel" and the Canadian Broadcasting Corporation television program "The 5th Estate" reported that IAL had signed a contract in March, 1985 with Airbus Industrie to pay IAL commissions of 2 to 2.5 percent for Airbus aircraft sold in Canada. IAL (SCHREIBER) was reported to have paid Frank MOORES commissions on the sale of each plane who in turn paid commissions to a Canadian politician. The 5th Estate report linked Mr. MULRONEY to the commissions. The funds are reported to have been paid by Airbus Industrie to IAL's account number 235 972 037 in Liechtenstein then transferred to IAL account 18679 at the Schweizerischer Bankverein Zurich in Zurich, Switzerland (SBV ZH). The reports then imply that the funds were transferred to MOORES' accounts at the same bank as payment for Mr. MOORES' and Mr. MULRONEY's assistance in obtaining the contract. These transfers were made at regular intervals as the aircraft were received and paid for by Air Canada and may still be continuing as the Airbus Industrie/Air Canada contract contained options to purchase aircraft until 1995.

The RCMP has seen copies of the documents used in the preparation of the reports by The 5th Estate and Der Spiegel and believes that over 11 million Canadian dollars were paid by Airbus Industrie to IAL's account in Liechtenstein then transferred to IAL's account in Zurich between 1985 and 1991. The documents ended in 1991, however the confidential source believes that the payments continued until Mr. MULRONEY resigned from office. The agreement between IAL and Airbus Industrie is believed to have resulted in commissions of approximately 20 million U.S. dollars once all 34 aircraft had been received. A confidential source has told the RCMP investigator that 25 percent of those commissions were to pay Mr. MULRONEY. The source also stated that the only signed copies of the agreement between IAL and Airbus Industrie are in the possession of a Zurich lawyer named Peter WIDMER of the law firm HOMBURGER, ACHERMANN, MULLER, HEINI, und Partner. It is not possible for the RCMP to provide further details concerning this contract until the final signed contract can be obtained from Mr. WIDMER. A videotape copy of the 5th Estate program and copies of the articles published by Der Spiegel are attached to this request as appendix "A".

The RCMP believes that Mr. SCHREIBER and Mr. MOORES conspired with Mr.



MULRONEY to obtain secret commissions to ensure that Airbus Industrie received the contract from Air Canada to purchase the aircraft. Mr. MULRONEY appointed Mr. MOORES to the Board of Directors of Air Canada to provide additional credibility in their ability to deliver the contract. These payments would have begun when the initial contract was signed between Airbus Industrie and IAL in March, 1985 and continue until the option to buy further aircraft expires in 1996. The contract is reported to contain a clause which states that the commissions will cease when the political situation changes in Canada. Mr. MULRONEY resigned as Prime Minister just prior to the Federal election held on October 26, 1993 and it is assumed that his resignation would have terminated the contract. If the investigation determines that these payments were made, then charges of giving a reward or benefit to an official under Sections 121(1)(a)(i), 121(1)(b) and 121(1)(e) of the Code will be considered against Mr. MOORES and Mr. SCHREIBER. A charge of accepting a reward or benefit under Section 121(1)(a)(ii), 121(1)(c), or 121(1)(d) will be considered against Mr. MULRONEY. Mr. MOORES' role is believed to be that of an agent of IAL, however if the date of the contract between Airbus Industrie and IAL is found to be during the period when Mr. MOORES was a director of Air Canada, then he would be deemed to be an "official" and charges of accepting a reward or benefit as an official would be considered against Mr. MOORES. As a member of the Board of Directors of Air Canada, Mr. MOORES would have influence on the choice of the aircraft company awarded the contract. Mr. MULRONEY held the power to influence the decision of which aircraft would be purchased by Air Canada in his capacity as Prime Minister. The commissions received by Mr. SCHREIBER, Mr. MOORES and Mr. MULRONEY would have increased the cost of the aircraft purchased by Air Canada thereby defrauding the Canadian public of their tax money.

A confidential reliable source has advised the RCMP that the payments listed in Appendix 'B' to this request were made by Airbus Industrie to IAL's account #235 972 037 at the VERWALTUNGS - UND PRIVATE BANK in Vaduz, Liechtenstein.

Two other Canadian Federal government contracts resulted in commissions being paid to IAL and a portion of these commissions are reported to have been paid to Frank MOORES and Brian MULRONEY. These contracts involved the companies Thyssen Industrie and Messerschmitt-Bolkow-Blohm GmbH (MBB), both of West Germany.

Thyssen Industrie AG formed a Canadian company called Bear Head Manufacturing Industries (BM) Inc. to proceed with this project and Karlheinz SCHREIBER has been listed as the only director since May 2, 1986. Gregory ALFORD, an executive of GCI and associate of Mr. MOORES was the Senior Vice-President of Bear Head.

Thyssen Industrie paid IAL a total of \$3,900,000.00 Canadian dollars in commissions between December, 1987 and November, 1988 for a contract involving the establishment of a plant to build light armoured vehicles in the Province of Nova Scotia, Canada. The project known as the Bear Head Project was sponsored by the Canadian Federal Government, Department of Regional Industrial Expansion (DRIE) in order to create employment in the Province of Nova Scotia and involved millions of dollars of Canadian government funds. The commissions were paid to IAL's account number 235 972 029 in Liechtenstein as follows:

87.12.30 \$1,900,000.00 Canadian  
88.10.26 \$2,000,000.00 Canadian

Government documents indicate that an Understanding in Principle was signed with Bear Head on September 27, 1988 however the contract was never signed. Public opposition to the armament plant is believed to have delayed the approval of the contract until after the Federal election held on November 21, 1988.

Norman SPECTOR, the Chief of Staff of Mr. MULRONEY from 1990 to 1992, informed the RCMP that he was instructed by Mr. MULRONEY to meet with the senior government officials involved in the approval of the Bear Head Project to determine why the project was being delayed and to ensure that it was approved expeditiously. After meeting with these officials in 1990 or 1991, Mr. SPECTOR learned that the Bear Head Project would cost the Canadian government in excess of \$100 million Canadian and recommended to Mr. MULRONEY that the project not proceed. Mr. MULRONEY instructed that the project be cancelled.

In June, 1986, the Canadian Coast Guard entered into a contract with MBB to purchase helicopters and equipment for approximately 26 million Canadian dollars. IAL received a total of approximately 888,011 Canadian dollars in consulting fees from MBB who also paid 353,000.00 Canadian dollars to Mr. MOORES' consulting firm GCI Government Consultants International Incorporated.

A confidential reliable source has told the RCMP that a portion of this money was used to pay Mr. MULRONEY to ensure the contract went to MBB. Two payments were made by MBB directly to Mr. SCHREIBER's account at the SBV ZH, one on October 7, 1986 in the amount of \$641,283.00 (Canadian) and a second on July 7, 1987 in the amount of \$130,478.00. A third payment was made to IAL's account in Liechtenstein on April 22, 1988 in the amount of \$116,250 (Canadian). Mr. MOORES received monthly payments directly from MBB totalling \$353,464.52 (Canadian).

In the case of the Bear Head Project and the MBB contract, Mr. MOORES was acting as a private consultant used to facilitate the flow of money to Mr. MULRONEY. The confidential source advised that monthly payments were made to Mr. MOORES by IAL until at least April 22, 1985 on the MBB contract. The source believes that a portion of all the commissions paid to Mr. MOORES and Mr. SCHREIBER was paid to Mr. MULRONEY. It is believed that Mr. Giorgio PELOSSI, the General Manager of IAL has intimate knowledge of the transactions conducted by IAL in relation to the three contracts described above, and will be able to provide information concerning the payments made by IAL to Mr. MOORES and Mr. MULRONEY.

The above three cases demonstrate an ongoing scheme by Mr. MULRONEY, Mr. MOORES, and Mr. SCHREIBER to defraud the Canadian Government of millions of dollars of public funds from the time Mr. MULRONEY took office in September, 1984 until he resigned in June, 1993.

### THE PURPOSE OF THE REQUEST

The Government of Canada respectfully requests the assistance of the Competent Legal Authority of Switzerland to perform the following:

provide all banking information available at the Schweizerischer Bankverein Zurich, 6 Paradeplatz, Zurich, for any accounts in the names of Karlheinz SCHREIBER, Frank MOORES, Brian MULRONEY, International Aircraft Leasing and Kensington Anstalt, or which they hold power of attorney, or in which they are the beneficial owners, in particular account numbers 18679 (Mr. SCHREIBER), 34107 & 34117 both believed to be registered to Mr. MOORES. We require copies of the signature cards and other forms used to open the accounts, transaction records including deposit slips, cheques, drafts, transfer forms etc. showing the flow of funds through the accounts, and all general correspondence between the clients (Mr. MULRONEY, Mr. MOORES, and Mr. SCHREIBER) and the bank, for the period September 4, 1984 to present. The account managers for these accounts are believed to be Andre STROBEL and Paul SCHNEIDER.

Any safety deposit boxes registered to Mr. MULRONEY or Mr. MOORES should also be examined and the contents photocopied in the case of documents, or seized in the case of money or other valuable securities. Any funds remaining in the account numbers 34107 and 34117 or other account which the Examining Magistrate determines to be beneficially owned by Mr. MULRONEY or Mr. MOORES should be frozen until the completion of the RCMP investigation.

- In order to prove that Mr. MULRONEY committed an offence under Section 121(1) of the Code, it is imperative that the funds transferred out of account numbers 34107 and 34117 and any other account deemed to be owned by Mr. MULRONEY be traced to him directly or elsewhere, for his use. It is requested that the Swiss Authority investigate any other accounts at other branches or banks within Switzerland which may have transferred money into these accounts or may have received funds from these accounts.
- that Peter WIDMER, the Zurich lawyer, be interviewed to determine his knowledge of the contract between IAL and Airbus Industrie and the persons with whom he dealt during the negotiations. Copies of all correspondence related to the contract are requested.
- that Giorgio PELOSSI of via B. Leoni 59, Breganzona (Lugano) be interviewed to determine his knowledge of the IAL contracts with Airbus Industrie, MBB, and Thyssen Industrie. Mr. PELOSSI is listed as an executive of IAL and had signing authority during the period when the consulting fees were paid. Copies of any company records in his possession which are related to the commissions including IAL banking records are requested. Mr. SCHREIBER's relationship with IAL should be established by Mr. PELOSSI as well as his knowledge of any payments IAL made to Mr. MOORES or Mr. MULRONEY. Mr. PELOSSI is willing to travel to Zurich to be interviewed by the Zurich Examining Magistrate.

With respect to any documentation obtained, the Canada Evidence Act permits the introduction of documents into evidence before a Canadian Court, of certified records created in the normal course of business of a bank or another entity located in a foreign jurisdiction under certain conditions. The certification should be done in accordance with the domestic legislation and practice of the foreign state. The conditions vary slightly depending on whether the records produced are originals or true copies of originals and the manner of certification, i.e. whether before a judicial official, or otherwise.

1. In all cases, the following information must be included in the certification:
  - That the officers of the institution, in possession or in charge of the documents, affirm or attest by way of certificate accompanying the copies or originals, the following:
    - a) the title and duties of the person signing the certificate and attesting to the authenticity of the evidence;
    - b) the qualifications of the person signing the certificate that enables that person to provide an explanation of the document and its contents;

- c) a description of the attached records, including an attestation that they were made in the ordinary and normal course of business;
  - d) the use or function of the document;
  - e) the facts contained in the document;
  - f) the method of creation and maintenance of the documents;
  - g) any explanation useful to the understanding of the document and its contents;
2. Where it is not possible or reasonably practicable to produce original business records, the Canada Evidence Act permits the production of copies of business records in evidence accompanied by two documents:
- i) one certificate, as above, that includes, in addition to the information set out above, an explanation of why it is not reasonably practical to produce the record [ i.e. the originals are required in the day to day conduct of the business]; and
  - ii) one certificate by the person that made the copy setting out the source of the copy, and stating that the copy is a true copy of the original document; and
3. When evidence certified before a judicial authority in the requested state:
- When the evidence is certified, by oath, affirmation or solemn declaration before a judicial authority in the Requested State, it is requested that the judicial authority set out his/her title, jurisdiction and official capacity to carry out such functions i.e. Judge X, a magistrate of the Court in the jurisdiction of , Country Z, duly authorized to ...
4. When other methods are used to certify the records:
- When the evidence is certified in a manner other than under oath, affirmation or solemn statement before a judicial authority of the foreign state, both the person producing the documents and attesting to the authenticity of the records and the person who copied records must state in the certificate that it is made in conformity with the laws of the foreign state which have been explained to him/her and the name and qualifications of the person providing the explanation.



It is, therefore, further requested that any business record obtained in response to this request be accompanied by a certification as described in order to meet the admissibility requirements of the Canada Evidence Act.


This investigation is of serious concern to the Government of Canada as it involves criminal activity on the part of a former Prime Minister. Further investigation cannot be conducted by the RCMP until the information available in Switzerland is received. Any priority which could be placed on this request would be greatly appreciated.

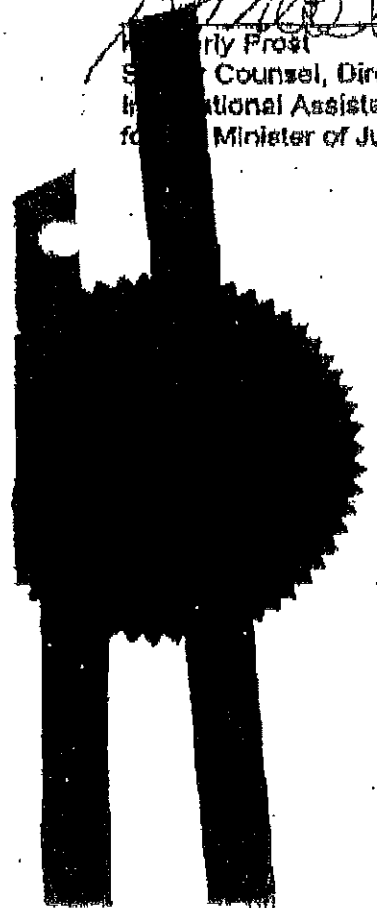
**CONFIDENTIALITY**

The request is confidential subject only to the disclosure that its execution might entail.

**DATE**

This request to the Central Authority of Switzerland is dated at the City of Ottawa, Province of Ontario, Canada on this 27<sup>th</sup> day of September, 1995.

  
\_\_\_\_\_  
J. Prost  
S. Counsel, Director  
International Assistance Group  
for the Minister of Justice of Canada



APPENDIX 'B'

88-10-03	US\$	100,000
88-10-05	US\$	5,000,000
88-10-18	US\$	88,000
89-09-04	US\$	140,000
89-11-29	US\$	30,000
89-12-13	US\$	180,000
90-02-14	US\$	366,000
90-03-01	US\$	385,000
90-03-27	US\$	387,000
90-05-23	US\$	40,000
90-07-02	US\$	50,000
90-07-16	US\$	276,000
90-08-15	US\$	140,000
90-10-25	US\$	540,000
90-11-20	US\$	540,000
90-11-27	US\$	393,000
90-11-27	US\$	60,000
90-12-05	US\$	393,000
90-12-10	US\$	540,000
91-01-15	US\$	80,000
91-01-16	US\$	48,000
91-02-15	US\$	401,000
91-03-08	US\$	402,000
91-06-03	US\$	80,000
91-06-28	US\$	168,000
TOTAL:	US\$	<u>10,827,000</u>





THYSSEN INDUSTRIE AG

Registry: please register 095-04651  
pls. send cc. to 14-00-15  
Renny Lipssett  
Deputy Minister  
E. Bordenave

Thyssen Industrie AG · Am Thyssenhaus 1 · 46128 Essen

Department of Justice  
239 Wellington Street  
Ottawa, Ontario  
K1A 0A6

Legal Department

Telephone: 0201/106-53270  
Telefax: 0201/106-53281

Attn.: The Honourable Allan Rock,  
Minister of Justice  
Fax-No. 001-613-990-7255

Essen, 24.11.1995/igm

Dear Mr. Minister:

We have received information our Company has been mentioned in Letters Rogatory sent by your Department asking for judicial assistance from Swiss authorities in connection with alleged payments to former Canadian Prime Minister Brian Mulroney.

Thyssen Industrie AG wishes to advise as follows:

1. Thyssen Industrie AG has not, at any time, given any amount of money to Mr. Mulroney.
2. Thyssen Industrie AG has not, at any time, asked any person to pay any amount of money to Mr. Mulroney.
3. Thyssen Industrie AG has no knowledge or suspicion of any such alleged payments.

Thyssen Industrie AG wishes to register its strong complaint that your Department failed to address appropriate inquiries to us before mentioning our Company in the Letters Rogatory. Your Department's failure to seek our assistance and to keep secure its inquiries has damaging consequences for the reputation of our Company and for our business interests in Canada, Germany, Switzerland and throughout the World.

Thyssen Industrie AG is prepared to meet with you and your officials at any time to discuss this matter.

Thyssen Industrie AG hereby serves notice it reserves to itself all legal rights, remedies and consequences to be drawn from your Department's unilateral and thoughtless actions.

Yours truly,

THYSSEN INDUSTRIE AG

(Wewers)   
(Dr. Joussem)

Thyssen Industrie Aktiengesellschaft, Metallstr. 10/11, Essen - Am Thyssenhaus 1, 46128 Essen  
Telefon: (0201) 106-53270, Telefax: (0201) 106-53281, Telex: D 47 757 5 T, D-Telefax: (0201) 203 01 u. (0201) 210 475  
Sitz der Gesellschaft: Essen, Registergericht: Essen, Amtsgericht Essen, HRB 1571 B 400  
Verantwortlich für den Inhalt: Dr. Joussem







## SETTLEMENT AGREEMENT

1. The parties wish to announce that the Right Honourable Brian Mulroney, the Government of Canada and the RCMP agree to settle out of court the litigation presently pending among them.
2. The basis for the litigation was the Request for Assistance, initiated and drafted by the RCMP and signed and sent by the Department of Justice to the Swiss authorities in the Airbus investigation by the RCMP.
3. Some of the language contained in the Request for Assistance indicates, wrongly, that the RCMP had reached conclusions that Mr. Mulroney had engaged in criminal activity.
4. Based on the evidence received to date, the RCMP acknowledges that any conclusions of wrongdoing by the former Prime Minister were - and are - unjustified.
5. The Government of Canada and the RCMP regret any damage suffered by Mr. Mulroney and his family and fully apologize to them.
6. The parties have always acknowledged that the RCMP must continue investigating any allegations of illegality or wrongdoing brought to its attention.

A handwritten signature and scribble, possibly reading "10/25/85", is located in the lower-left corner of the page.

7. The Government of Canada and the RCMP emphasize that the Request for Assistance was a highly confidential state-to-state communication intended to be received by Swiss authorities who knew that it contained only allegations which were to be verified and that the persons named were presumed innocent of any wrongdoing.

8. The parties acknowledge that the procedure used in sending the Request for Assistance to Switzerland in this case was the same as that followed in numerous previous requests for mutual assistance under both the current and previous administrations where such requests have always remained confidential. Because of this the Government of Canada did not foresee that the Request for Assistance would become public. Since it did, the Government of Canada has reviewed its procedure to ensure that the risk of this happening again is minimized.

9. The parties accept that the RCMP, on its own, initiated the Airbus investigation; that the Minister of Justice was not involved in the decision to initiate the investigation; and that before November 4, 1995, the Minister of Justice was not aware of the Request for Assistance and the RCMP investigation.

10. The parties accept that the RCMP and the Department of Justice in sending the Request for Assistance to Switzerland acted within their legitimate responsibilities in this matter.

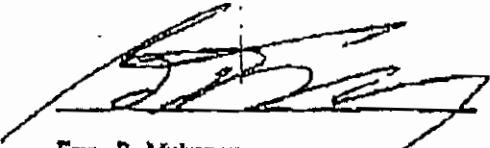
Handwritten signature and initials, possibly "S. J." and "11.10.95", located in the left margin.

11. The RCMP will pay to Mr. Mulroney all legal fees and disbursements and all fees and disbursements paid to experts whose reports were intended to be tendered to the Court, and which were reasonably incurred in the prosecution of this action. The final amount is to be determined by final binding arbitration, to the exclusion of any court, by former Chief Justice Alan B. Gold, or, if unavailable to act, by such other arbitrator chosen by the parties or in conformity with the Code of Civil Procedure of the Province of Quebec.

12. Mr. Mulroney waives his claim to damages because any award would be payable out of public funds.

13. Contemporaneous with the signing of this Settlement Agreement Mr. Mulroney will sign a release in the form attached as Schedule "A" and the Declaration of Settlement Out of Court attached as Schedule "B".

January 5, 1997



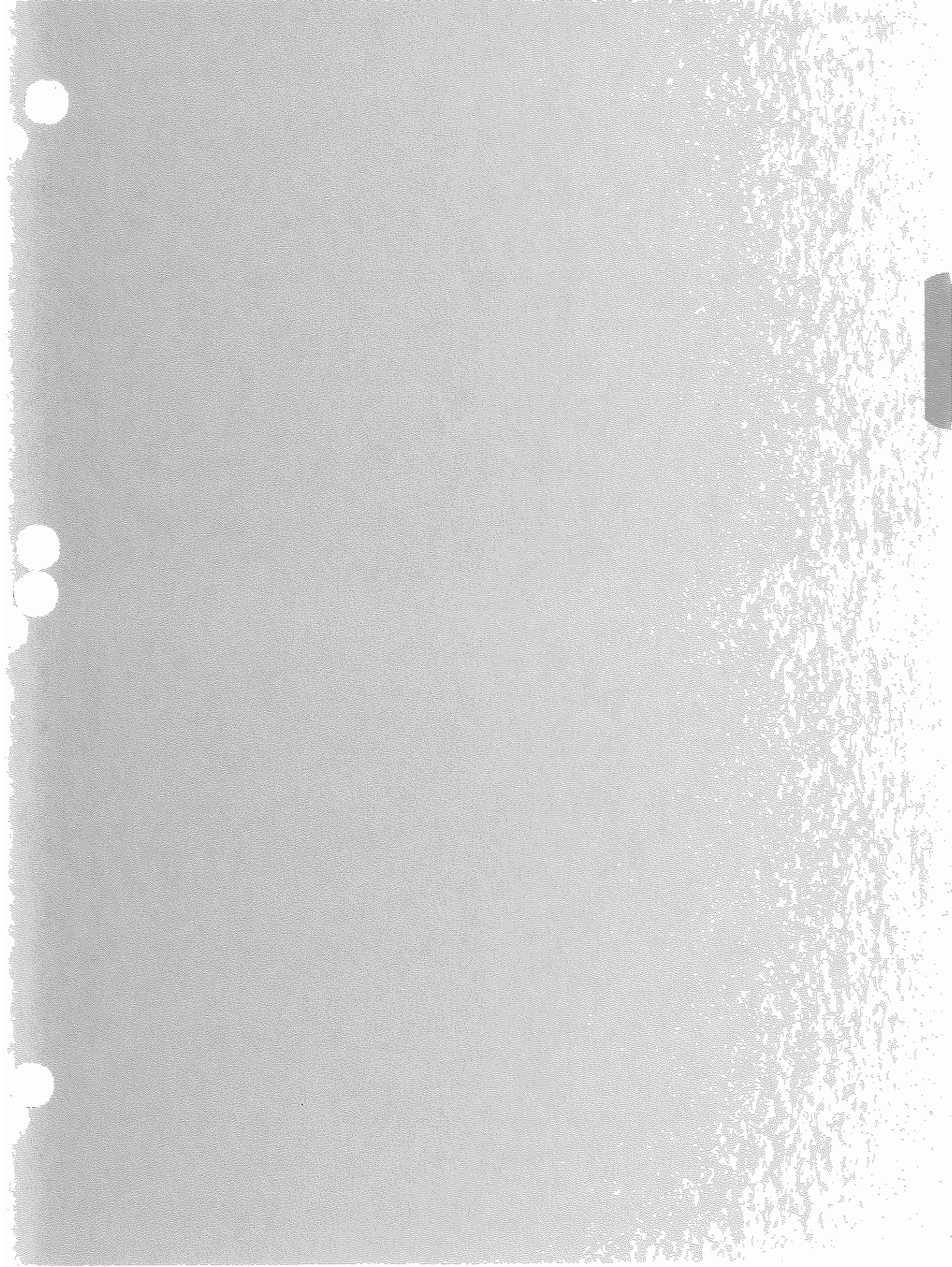
For: B. Mulroney



For: Feigenwald, Murray & The RCMP



For: AG & Frost



**SCHEDULE FOR THE RIGHT HONOURABLE BRIAN MULRONEY**  
**JANUARY 30-FEBRUARY 6, 1998**

**EVENT:** Trip to Klosters, Switzerland  
Trip to Frankfurt, Germany  
Trip to Rome, Italy

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**TIME CHANGE:** Klosters is 6 hours ahead of Montreal  
Frankfurt is 6 hours ahead of Montreal  
Rome is 6 hours ahead of Montreal

Klosters, Switzerland  
Frankfurt, Germany

-5-

January 30-February 6, 1998

[REDACTED]

Monday, February 2, 1998:

- 10:00AM      A limousine from Brunel Carriage will pick you up at the hotel and proceed to the SAVOY Hotel in Zurich
  
- 11:30AM      MBM will arrive the Savoy Hotel  
Note:  
Paul will meet you upon you arrival and will take care of your luggage.



Klosters, Switzerland  
Frankfurt, Germany

-6-

January 30-February 6, 1998

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12:30PM Lunch in your room

**Note:**

The Hotel is located at a 20-30 minutes drive from the airport.

02:15PM A limousine will pick you and Paul Terrien up at the hotel and proceed to the airport

03:00PM **MBM** and Paul Terrien depart Zurich  
Jet Aviation  
tel: 011-41-1-816-4994  
Plane: Gulfstream III  
Tail #: C-GGPM

04:00PM **MBM** and Paul Terrien arrive in Frankfurt

**FRA-GAS**

tel: 011-4969-690-71719

fax: 011-4969-690-66150

A limousine from Interline Chauffeur & Limousine Service will pick you up at the airport and proceed to the hotel

**Interline Chauffeur and Limousine Service**

tel: 011-49-6173-938669

fax: 011-49-6173-938663

**ACCOMMODATION:**

Meridien Park Hotel

Wiesenhutten Paltz

Frankfurt, Germany

tel: 011-49-69-269-7834

fax: 011-49-69-269-7884

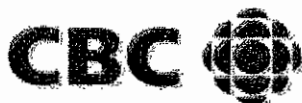
**Note:**

The Hotel is located at a 20-25 minutes drive from the airport

The Hotel is located at a 15-20 minutes drive from the

Bundesbank





## Interview with Brian Mulroney.

THE NATIONAL MAGAZINE

Broadcast Date: Wednesday, June 2, 1999

Time: 22:27:00 ET

End Time: 22:57:00 ET

Network: CBC-TV

Filename : ntl02061999mulroney

**BRIAN STEWART:** Tonight: he came to power in a historic landslide; won back to back majorities. Nine years later, he would leave office possibly the most unpopular leader in Canadian history, but still proud. Tonight, he looks back on the highs and lows of a stormy career and talks of the current state of the country; an interview with Brian **Mulroney**.

**STEWART:** Good evening. Well certainly **Mulroney's** years as prime minister were among the most turbulent in the country's history: Free Trade; the GST and two wrenching attempts to bring Quebec into the Constitution. Well **Mulroney** left politics in '93, but he still provokes strong passions. Yet many of his key policies have been adopted by the Chretien government. Ottawa was forced to apologize over the Airbus affair, and he enjoys an extraordinary international reputation as a super fixer in the world of global business. This weekend, he'll attend a conference to mark the ten years since the landmark Free Trade Agreement. This afternoon, we met at his law office here in Montreal.

**STEWART:** Mr. **Mulroney**, thanks very much for joining us. The tenth anniversary of the Free Trade agreement is a time to reflect back. But I wonder first, how much do you actually dwell on that remarkable nine years in office? Is it something you reflect on every day?

**BRIAN MULRONEY / FMR. PRIME MINISTER:** No, not at all. It's, it's something that however from time to time, issues come up that cause you to get re-involved. But no, I think history will look, after all of this, one way or the other.

**STEWART:** But it's a strange sensation, surely, that very few people have to know that history every month is sort of shifting on your own role in the world. Isn't this something every day you must think, I wonder where it's standing now?

**MULRONEY:** Well not that way. But I think, for example, when this conference came about I was -- you know I relived the '88 election campaign; not only the negotiations of the, of the deal and what we tried to do, but then, as you'll remember, the Liberals blocked the deal in the Senate. They were, they had voted against it in the House and they blocked it in the Senate, where they still had a majority held over from '84. And so I had to call an election. And I think back to that election, how brutal it was; how cataclysmic the predictions were: we were going to lose our soul; we were going to lose our languages; we were going to lose our medical care; our regional development; our national identity. And there was a certain -- some historians have said that it will rank with the most brutal campaigns in history.

**STEWART:** You say brutal. But interesting, I was interviewing Bob White, retiring as CLC leader just about two months ago and he made the comment that though he still opposes Free Trade and fiercely opposed it then, he said boy, what a great debate that was. It was one of the great debates this country ever had. I wonder if you see it as that and also, of course, do you still count that as your crowning achievement, without regrets?

**MULRONEY:** Well I think it was a, it was a great campaign, I agree with Bob. Um, there were days when I wished he had been running rather than me, because there were days when it wasn't all that pleasant. But uh no, it was a great campaign and it was an important part of history. It was a great privilege to be part of it.

**STEWART:** But it went to the core, in a way, of who we are and what we might become.

**MULRONEY:** No, it went to the core of what the Liberals said we were. The Liberals said that, that we could continue with a heavily regulated, heavily publicly owned government oriented economy with massive government intervention in the economy, in FERA, in National Energy Program, all of these things. And protectionism against the United States -- we cannot compete with the United States on an even playing field. I felt that was nonsense; that if we took down the barriers and we gave Canadians an equal opportunity, not only could they compete -- they could compete and win with the best in the world. And so I think it was a collision of visions. I considered the, you know and I don't -- didn't mean to be unfair at the time, but I considered it a view of, you know, a little Canada, versus the role that a grand Canada can play in the world. And I think that the grander vision of Canada prevailed and I'm glad that it did.

**STEWART:** Do you understand, though, how some Canadians feel that whether sort of Free Trade or just some other momentum, there has been a kind of progressive loss of national sovereignty, or at least the sense of it in this country. Many people have written about nationalism without walls; the kind of sense that whether it's the Mounties going to Walt Disney for their promotion or...

**MULRONEY:** I had nothing to do with that.

**STEWART:** Absolutely not. I'm not. But whether you feel in fact there is something seriously to worry about here, that we are losing some sense of national sovereignty?

**MULRONEY:** Well Brian, what a federal government -- the federal government can't do everything; in fact, it can't do most things. But what it can do is so conduct itself economically as to strengthen the finances and the economic basis of the nation. By bringing in Free Trade and NAFTA; eliminating the Manufacturers' Sales Tax and bringing in the GST, thereby allowing the federal government, with good economic growth, to eliminate the deficit, we've made Canada, collectively, a stronger place economically. When you are stronger economically, you have strength in the nationhood. And when you've done that, you've enhanced your sovereignty. So I think that what has taken place under us, in the nine years that we were there and then under the Liberals, because they have jettisoned their own policies and endorsed all of ours, that I think that by and large, it's been good for Canada and good for our sovereignty.

**STEWART:** I'd like to turn from a past international story to one that's very current. You're very rarely peeved enough now to speak out, but you have spoken out on Kosovo and expressed your extreme unease with the way NATO and Canada are behaving. Could you express that to us? What is it that's so upsets you now?

**MULRONEY:** I think in principle I was concerned, Brian, because we didn't get the approval of the -- for the first time, Canada is engaged in this without the approval of the Security Council. And I think that that in itself, given the importance of the United Nations to our foreign policy -- it's the cornerstone of our foreign policy -- that we should have insisted that the Security Council of the United Nations deal with this matter. Secondly, Canada was a founding nation of NATO. And the fact that we would -- that NATO would be involved in aggressive action against a sovereign nation without U.N. approval, to me, is extremely difficult to accept. Now let me be clear: I think Mr. Milosevic clearly has engaged in grave criminal activity for which he must receive, as Louise Arbour has pointed out, the most severe punishment. But we're going to have to live as Canadians after internationally. And I think that what we have done, what we have allowed to be done, in our name, has vitiated in a significant way the influence that we had as peacemakers and peacekeepers around the world, and our influence at the United Nations to say nothing of the model that we held ourselves out to be for others.



**STEWART:** I must ask, of course, it's well-known your wife came from Yugoslavia, from Serbia. I mean how much agony...

**MULRONEY:** From Sarajevo.

**STEWART:** Yes, sorry, Sarajevo. How much pain has this caused within your own -- your own house, watching this?

**MULRONEY:** Well it's been very painful for Mila because as you know, over the years all of the -- I shouldn't say all, but certainly many of the Yugoslav families, including hers, have co-mingled and intermarried with Croats, Serbs, Muslims and so on. And it was that kind of a family environment in which Mila grew up; and to see her former country being destroyed and debased in the manner in which it is -- and much of it internally, by the way; much of it coming from Mr. Milosevic himself. I'm in no way condoning anything that he's done. But um, I think that there might have been a better way, Brian. I take little solace as a Canadian, very proud of our traditions of peacekeeping and our strength in the world as well, in seeing 19 industrialized nations bomb a small sovereign country. And in the process, every day innocent men, women and children; hospitals, schools are being pulverized and destroyed and the spokesman at NATO says "well, it was just an honest mistake. I'll see you tomorrow. Goodbye." Well I thought and I think that Canada's principles in the world stand for more than "sorry about that and goodbye." We hold human life to be much more valuable than that.

**STEWART:** Mr. Mulroney, I'd like to come back to this and other subjects in a moment, but first we have to make this break.

**STEWART:** Please stay with us. We'll be right back after this. (COMMERCIAL BREAK)

**STEWART:** Mr. Mulroney, you were prime minister during a war, the Gulf War, and now you're observing it from the sidelines -- another war involving Canada. What's the big comparison? What have we done that we must undo? And what, how in fact do we get out of this?

**MULRONEY:** Well I think that now that we're in it -- you know as many people feel in regard to their respective countries, you know we have to support our military people who are executing the policy of a duly elected government. I don't think it's the, it's the time to conduct an autopsy of this right now. But we still live in a free country and we're entitled to have our opinions without being accused of disloyalty or anything like that. The war, the Gulf War that we were involved in, we insisted -- we insisted that the United States go to the United Nations and approve and obtain permission from the Security Council, approval from the Security Council. We were one of the most insistent nations that this be done. And it was done.

**MULRONEY:** Secondly, it involved the activities of a country that had invaded another country, another sovereign nation. Neither of these things have happened here. Don't misunderstand me: I am not, by saying that, attempting to in any way diminish the responsibility of Mr. Milosevic for what he has done for -- to expel innocent people and to cause such damage to them. And some people will tell you the only way to deal with this kind of activity is to bomb them to smithereens.

**MULRONEY:** Many people, however, think there are other ways of doing it: We could have sealed off that country; there could have been embargoes of the strictest kind; there could have been direct Security Council intervention -- the highest level involving representatives of the Russians, the Chinese, the Americans and others -- Canada's on the Security Council itself. We should have been there ourselves. That said, look -- we're in, well into days, early 60's of nightly bombing and I don't think there's anything that I can say or you can say will cause that to change tonight.

**STEWART:** On another subject, the last many Canadians saw of your publicity was after your, your substantial victory here on the Airbus affair in Montreal. Since then, how have you dealt with that subject? One hears stories that you're still furious; there is an investigation underway and are thinking of maybe even launching another suit.

**MULRONEY:** Well the only way that you launch a suit is to go ahead and do it. I don't talk about it. I never talked about the last one until we had it done. I must tell you I find it somewhat ironic that the RCMP has been investigating this for some five years, where to the best of anybody's knowledge or information, no one has suffered, there's been no visible crime committed that anyone is aware of even remotely, and they're unrelenting in their pursuit of whomever or whatever. And yet two weeks ago, in the face of the greatest fraud in the history of Canada, the Bre-X scandal, where six billion dollars were stolen from investors, where lifesavings of ordinary Canadians were wiped out, where people committed suicide in the face of such enormous personal loss that they sustained by the fraud artists in the Bre-X matter, the RCMP announces after two years, they're shutting the books, they're calling off the dogs and that's the end of it.

**MULRONEY:** Whereas in other investigations, including the Airbus matter, they've got lots of time. And by the way, they said they wanted to save public money -- they didn't want to spend any more public money. And yet they've got nine or ten people going around the world, still trying to look into the Airbus matter. And I've got no problem with that except I find it interesting, Brian, they've got nine or ten people going around the world, year after year, talking to everybody and his brother about this -- and they can do it until the cows come home, as far as I'm concerned. They won't find a single solitary thing 'cause nothing, as far as I'm concerned, was ever done wrong. But they go around the world but they don't come down the street to see me.

**STEWART:** You still haven't been?

**MULRONEY:** Never. They've never come to see me. They may have been on yours. They've been to see everybody else -- I'm surprised they haven't knocked on your door. They've been to see everybody else around the world, they haven't come down the street to see me.

**STEWART:** But what do you think's going on here? Earlier on, I think at one time you suspected the Liberal government was in some way pushing this forward, encouraging this. Do you really believe that now, or do you think it's the RCMP just basically afraid to admit they're going nowhere and they don't know how to get off the back of the tiger?

**MULRONEY:** Uh, my suspicions and my views I expressed in the court action. The government, to settle it, was forced to apologize; to pay \$2.1 million in fees and to make an important statement in writing. They stated in writing -- and I'm paraphrasing -- we do not have, nor have we ever had, any information to justify any allegation of wrongdoing by Mr. Mulroney. That's a pretty significant statement. So it raises the question: why is this ongoing? Now as I say, they can do it until the cows come home. But if I were a shareholder in Bre-X who had had his lifesavings cleaned out, I'd be wondering why the emphasis on this, when all of this terrible tragedy took place in Bre-X and no one is paying any attention to it?

**STEWART:** Are you galled at all that the Liberals made such an effort to paint your regime as one of glitz, greed, cronyism and patronage, given the current storm that's occurring over the prime minister?

**MULRONEY:** Well I think that he's, you know he's been very successful in duping the media. In this regard, he's had a -- compared to most of us, he's had a pretty free ride. He runs a patronage machine probably without precedent in modern history and nobody says a word. He said that Pearson -- they said that Pearson Airport was a scandal: it gets investigated, it's as clean as a hound's tooth; they said the helicopters were a scandal; they cancel the helicopters, they pay a penalty of \$450-million and they order the same helicopters. They said the GST was a scandal and they keep it. They said that Free Trade was bad, they keep it; they said NAFTA -- we're going to cancel and they keep it; they said that the privatizations were going to be cancelled and they keep it. Then they said we are going to cancel the Mulroney attitude about the CBC and we're going to give the CBC more money. (Laughs) And there's a promise, another one they didn't keep. They came back and they cut the CBC's budget by \$400-million. So if anyone can believe very much that's going on there, be my guest. But I have to admire some of the achievements of the Liberals -- the way they've pulled the wool over so many eyes.



**STEWART:** "A regime of patronage without precedent in history" -- you really believe that?

**MULRONEY:** Absolutely. Not only do I believe it, I know it. It's going on every day.

**STEWART:** Why don't you speak out more about it?

**MULRONEY:** Well why should I? The leader of the opposition -- he's now starting to find his feet on these things. I see he's had a couple of days at it. But I mean any serious student will tell you that neither Mr. Trudeau nor myself compares with what's going on now.

**STEWART:** How do you explain your historical legacy? Well not explain it, but how do we deal with it? It baffles historians so much: here you are, you won the greatest majority ever. Your second majority was way beyond Trudeau mania in 1968, 20 years earlier. Yet there is this perception out there that you are still disliked by many Canadians. I know it rankles you because you believe it's the wrong perception, but what led to this hot, hot legacy?

**MULRONEY:** Well I've had high popularity. As I say, the largest victory in Canadian history. I was the first prime minister to be re-elected with a majority government in 35 years and the first Conservative leader to do it in a hundred years. And as you point out, my second, in my second victory, which was the smaller one, I still won 15 or 20 seats more than Mr. Trudeau did at the height of his popularity. So I've had my share of popularity.

**MULRONEY:** The unpopularity comes when you have to do important things. And I guess you have to decide, Brian, whether you want to be popular or whether you want to make, to effect important structural change. I believed that what should be done, we should be conducting ourselves not for easy headlines in ten days, but for a better Canada in ten years. Witness the assaults on me for the Free Trade agreement, by way of illustration. All the things that were going to happen. I was demonized, demonized for this. I was called a traitor: lacking in patriotism; lacking in principle; sucking up to the Americans; any pejorative that you can think of, I was called. That takes a toll on it, on me. Ask yourself now, ten years later, about Free Trade. Was it the right thing to do for Canada? Bob White, Bob Rae, Jean Chretien -- they'll tell you yes, it was.

**STEWART:** But people who know you, have been friends of yours for a long time will say privately, you're very warm; you're very generous; you're extremely amusing. But in public, you had a certain stiffness; you felt sort of that the role of prime minister needed a certain aloofness?

**MULRONEY:** No, not at all. But I tell you if you get pounded by the media every day, you acquire a certain reserve -- you know you have to be careful after a while, once you get kicked around pretty well. There's nothing wrong with that. That's the way life goes. And so if you're asking me Brian whether I think we, we did everything right, the answer is no, we didn't. If you're asking me whether I think we made mistakes, I think we did, obviously. Uh, if you're asking me whether I think we did the right thing for Canada; whether we believed we were doing the right thing with these important structural changes, the answer is yes. Because what we were trying to do was to deliver the kind of Canada we have today, we have today. With one exception: and the exception was that my hope was that all of these things that are taking place today would happen, and would have happened, but I would have hoped that it would have happened with Quebec's signature on the Constitution so that we could have turned that page once and forever, thereby depriving the separatists of their greatest attack against Canada. Their great claim against Canada was that they were excluded, when in point of fact all Canadians should be included and that would have been my, that would have been my greatest satisfaction.

**STEWART:** Mr. Mulroney, we only have about a minute left. Many Canadians don't see much of you now. It's -- you're the prime minister who travels around the world and high global financial circles and that. Is life pretty happy? Are you pretty contented with the role now? Can you leave power and be content?

**MULRONEY:** I was surprised Brian, at the fact that someone like myself, who loved politics so much, was able to leave and to turn the page, as Premier Johnson used to say (speaking French). And I found, to my surprise, that I was able to do it and I turned the page and I moved on to providing for a living for my wife and my family and enjoying it a great deal, and have very little interest in following it beyond the extent to which I do.

**STEWART:** Not even a hint of a desire to one day get back in the arena?

**MULRONEY:** Not a hint. My desire is to come back as an anchorman for CBC. (Laughter)

**STEWART:** Mr. **Mulroney**, thanks. That'll end the interview. Thanks very much for joining us, very kind of you.

**MULRONEY:** Thank you Brian.

**STEWART:** Now if you would like more information about the Brian **Mulroney** interview, check the CBC's Web site. The address is [www.cbc.ca](http://www.cbc.ca).

**STEWART:** Now please stay with us; a word about tomorrow's program. (COMMERCIAL BREAK)

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**Mulroney asks Schreiber to clear the Airbus air: Former PM wants businessman to release bank records; [National Edition]**

*Philip Mathias. National Post. Don Mills, Ont.: Aug 20, 1999. pg. A.3*

**Abstract (Summary)**

Mr. [Karlheinz Schreiber]'s bank records are the missing piece of an RCMP investigation into allegations that he paid a \$5-million bribe to Mr. [Brian Mulroney], allegedly to ensure Air Canada bought \$1.8-billion worth of Airbus aircraft in 1988. Mr. Schreiber was alleged to be acting as a lobbyist for Airbus.

The Schreiber bank accounts will be released to Canada if both the Federal Court and the Bundesgericht rule against Mr. Schreiber. If either rules in Mr. Schreiber's favour, the Airbus affair will likely come to an end.

Black & White Photo: (Brian) Mulroney ; Black & White Photo: (Karlheinz) Schreiber ;

**Full Text (830 words)**

(Copyright National Post 1999)

Brian Mulroney, the former prime minister, has stepped up efforts to persuade Karlheinz Schreiber -- the man at the centre of the Airbus affair -- to release his confidential Swiss bank accounts to the Canadian government so the matter can finally be put to rest.

Mr. Schreiber's bank records are the missing piece of an RCMP investigation into allegations that he paid a \$5-million bribe to Mr. Mulroney, allegedly to ensure Air Canada bought \$1.8-billion worth of Airbus aircraft in 1988. Mr. Schreiber was alleged to be acting as a lobbyist for Airbus.

"Nothing would make Mr. Mulroney happier than to have these documents opened up so that his innocence would be clear forever," Luc Lavoie, Mr. Mulroney's spokesman, said yesterday.

This week, Mr. Mulroney telephoned his former chief of staff, Fred Doucet, from South Africa, where the former prime minister is vacationing with his family, and asked him to organize another approach to Mr. Schreiber.

Mr. Doucet persuaded a former cabinet minister in Mr. Mulroney's government, a man who knew Mr. Schreiber, to telephone him on Mr. Mulroney's behalf and ask that the documents be released.

Over the last three years, Mr. Mulroney has interceded with Mr. Schreiber several times, both directly in telephone calls, and through intermediaries.



But Mr. Schreiber has always been unreceptive. "I don't want to release the documents," he told the National Post, "because the whole procedure by the Canadian government is illegal, and I want to see them in court to prove this."

The RCMP investigation has been proceeding on and off since the Air Canada purchase of the Airbus aircraft 10 years ago.

In 1995, the probe gained momentum when a disgruntled former employee of Mr. Schreiber's alleged that Mr. Schreiber had told him he was going to bribe Mr. Mulroney.

The informant added that he did not know if a bribe had actually been paid, but supplied details of the bank account that supposedly received the money. His allegation was later proven false.

In 1995, the Canadian government sent a letter to the Swiss government asking for copies of Mr. Schreiber's own bank documents.

The Swiss only release such information when there's evidence of a crime. A Swiss police official advised the Canadian government how to word the letter so that it would seem to pass this stringent Swiss requirement.

The letter used very strong language, saying Mr. Mulroney has engaged in "criminal activity" to "defraud the Canadian government."

Mr. Mulroney launched a lawsuit for libel. In January, 1997, the Canadian government apologized, paid \$2-million of his legal fees, and declared the bribery allegation was "sans fondement" (without foundation).

But the letter of request to Swiss authorities was not withdrawn, and Mr. Schreiber began several legal actions to prevent his bank accounts being made public through the letter.

He first obtained a court order stopping the Canadian request from going forward in Switzerland, but that freeze order has since expired. This year, he asked the Federal Court in Vancouver to order the Canadian government to withdraw the letter of request.

"All we have asked the court to do is force the Canadian government to tell the Swiss government the truth," said Robert Hladun, Mr. Schreiber's Edmonton-based lawyer.

The court's ruling is expected in September. Meanwhile, in June, after the court-ordered freeze expired, the Canadian government reactivated the letter of request.

The Swiss attorney-general, Carla del Ponte, ordered the Schreiber bank documents released to Canada. She explained that she accepted the letter of request as if it was literally true.

The Swiss do not normally look behind a letter of request, lawyers explain. If there's a problem with a letter, Swiss policy is that the requesting country deals with the problem.

Mr. Schreiber countered with an appeal to the Supreme Court of Switzerland, called the Bundesgericht, to countermand Ms. del Ponte's order.

The basis of the Schreiber appeal is that Switzerland has no right to honour the letter of request, because it does not conform with Swiss requirements. The Swiss court has yet to deliver a ruling.

The Schreiber bank accounts will be released to Canada if both the Federal Court and the Bundesgericht rule against Mr. Schreiber. If either rules in Mr. Schreiber's favour, the Airbus affair will likely come to an end.

According to some estimates, Mr. Schreiber has spent about \$2- million in legal fees to prevent his bank documents from being released.

But Mr. Hladun says Mr. Schreiber has nothing to hide. "He's a man of integrity," he added, "and he values his privacy. It's a matter of principle."

Others doubt that anybody would spend so much money just to establish a point of principle.

Mr. Lavoie confirmed that Mr. Mulroney has asked Mr. Schreiber to release the bank accounts, but denies Mr. Mulroney is applying any pressure. "He doesn't want to infringe on anybody's right to go to court seeking justice," Mr. Lavoie said.

**[Illustration]**

Black & White Photo: (Brian) Mulroney ; Black & White Photo: (Karlheinz) Schreiber ;

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**THE FIFTH ESTATE INTERVIEW WITH LUC LAVOIE RE AIRBUS**

[interview in progress]

HARVEY CASHORE (Interviewer): Right. So...

LUC LAVOIE: But I mean you don't trust me from what I can hear.

CASHORE: I don't know what... What do you mean by that, you say I don't trust you? What does that...

LAVOIE: Well, I'm a straight shooter. Like, I mean you... I am... I told you yesterday I'm not going to spread it beyond Mr. Mulroney. It's... It's the canal (sic) to him. That's his... that's his wish and that's the way things will go.

CASHORE: Uh-huh.

LAVOIE: And, uh, you know, regardless of anything else I guess I'm a straight shooter. I'm not going to... I'm not going to fuck around with

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you. I'm not going to... I'm not going to go and spread anything to colleagues of yours or anything like that. I promise. You have my word for it. I told you I can give it to you in writing if you want. I am not going to do it.

CASHORE: Uh-huh. I guess I... I mean you say I shouldn't be optimistic and you know the answer and all this, but I mean... I... what I'm hoping of course is that with some more thought on this that it would... he might think it might make sense to meet with me and to talk about this, and that's ultimately what I would love to do, you know, is too... is to sit down and talk to him about this. So that... I mean I think that's important and I don't think it's... I don't think it's asking... I mean, it's actually being fair and it's being... it's wanting to get the perspective I... I need and I'd like for this. If he can give me a perspective. He may not be able to, you know, this is... um...

LAVOIE: I'll get...

CASHORE: You know, I'm an optimist.

LAVOIE: I'll get you... I'll get you the perspective.

CASHORE: Yeah?

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LAVOIE: But ask me and I'll get you the perspective from him. But he's not going to go directly to you.

CASHORE: Right. Okay. I've already told you, pretty clearly, what it is...

LAVOIE: You...

CASHORE: I haven't given you the specific details but I told you pretty clearly what...

LAVOIE: Well, what you said it was, if my... if my understanding is correct, is you have seen Schreiber's accounts and... Am I right?

CASHORE: Um, I... I...

LAVOIE: Well... We know they're in Germany, so you have seen the accounts?

CASHORE: I have seen some information about his... about his banking records.

LAVOIE: Okay. About his... So you're not saying you have seen the accounts.

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CASHORE: Oh I don't want to say that I have or that I haven't.

LAVOIE: Okay. Okay. And in it there is a section – I don't know what word you used, did you say a section, or entries, or whatever you called it? What did you call it?

CASHORE: A rubric.

LAVOIE: A rubric.

CASHORE: Yeah.

LAVOIE: That might lead somebody to believe...

CASHORE: Yeah there's a ... As I ... I mean there's a... there's a series of facts that are, you know, before us that, you know, to repeat as cautiously as I can and, you know...

LAVOIE: A series of facts.

CASHORE: Yeah, a series of facts that, you know, I believe there is a possibility, and again I stress possibility, that when those facts are presented may lead some people and may, being very strongly said here of course,

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to, um, you know, conclude that Mr. Schreiber had set up this for Mr. Mulroney. Those facts... You know, there are these set of facts. Now, um... And I'm concluding nothing. What I'm saying is that I would like to talk to Mr. Mulroney about these set of facts.

LAVOIE: Uh-huh. So this won't happen. So we'll never discuss it I guess. It's just not going to happen.

CASHORE: Uh-huh.

LAVOIE: I... I actually told him that you asked to speak with him.

CASHORE: Yeah?

LAVOIE: He won't.

CASHORE: Uh-huh.

LAVOIE: So...

CASHORE: Can I ask why, or what the...what...

LAVOIE: Why?

CASHORE: ... what the stumbling block is? Or what's the...

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LAVOIE: I don't know that they've made any positive comments, but you're talking about the March '95 piece.

CASHORE: Yeah.

LAVOIE: I'm talking about the October '95 piece.

CASHORE: Oh, where Georgio Pelossi spoke with...

LAVOIE: About him. Yeah.

CASHORE: Right.

LAVOIE: That's... That's not necessarily something that he enjoyed very much.

CASHORE: Right.

LAVOIE: And I don't think you would have if you were there in his shoes. So, you know, I mean one can understand the reluctance. He certainly doesn't feel that the presumption is on his side.

CASHORE: I see.

LAVOIE: I mean it's hard to conclude any other way

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CASHORE: Well, I'm just doing my best to sort this out, you know. That's... That's always been my... my position and my objective is to sort out, separate fact from fiction to get the story understood as completely as I can. It's always been what's been in the back of my mind.

LAVOIE: I... I'm not disputing that at all. I'm saying that in October of '95 you put on the air a story that was pretty daring. That's all right, you know, this is four years ago. The only reason I'm saying this is you're asking me why he wouldn't speak to you. Well, certainly I'm interpreting his mind. He hasn't said that, but I... I'm sure this is right there at the back of his mind.

CASHORE: Okay, but look. As for your proposal, I'm... I'm not saying it's not a thoughtful proposal, not one that I wouldn't want to consider. I'm not saying that at all in fact, and I'm not... there's nothing here about my concern about trusting what you said. That's not in my... in my thinking. I just think it's... your comments about him being upset concern me. It's the last thing I want him to do is to be upset. I simply want his perspective on this. And so, you know, my position would be let's... you know, let's all enjoy... well, I'm working, but let's all enjoy our weekend and let's get back to this on Tuesday when we can talk about it some more.

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LAVOIE: Yeah, except it's not the way he feels.

CASHORE: Uh-huh.

LAVOIE: You know, really. Put yourself in his shoes. This has been destroying his life for four years. This is... I guess I get the feeling from his voice that he just can't take it anymore. So I'm... I'm...

CASHORE: That gives me no pleasure, okay? That gives me no pleasure at all to hear that.

LAVOIE: I'm... You know, I'm not trying to say it gives you any pleasure. I'm telling you what it is.

CASHORE: That actually makes me feel, um, you know, disappointed to hear that. It's the last thing that I want to... and if he somehow associates me with that I... it's the last thing I want to do to anybody (inaudible).

LAVOIE: And I... I take your word for it but... But you know, I mean, really if you wanted to be helpful a bit I could call you back within half an hour and you'll have an explanation.

CASHORE: An explanation?

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LAVOIE: You know, you want to have a perspective on the series of facts.

CASHORE: Yes.

LAVOIE: Give me a little more about it. I'm not going to call anybody else but him...

CASHORE: Uh-huh.

LAVOIE: ... and I'll call you right back. You stay where you are and I'll reach you and I'll give you exactly what it is.

CASHORE: Yeah. Okay. The problem is I can't even consult my colleagues here, nobody's here. But can I... could I... You know, I hear you're trying to work this out, okay. I'm not... So... And I hear that. So let me see if I can, you know, call some people to get some advice. I can't make a decision like this on my own, obviously. And can I try and, you know, call you back in a while? Can I try and do that?

LAVOIE: When will you call back?

CASHORE: Well, um... What is it? It's, um...

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LAVOIE: It's a quarter to seven.

CASHORE: Quarter to seven now. I can't even know if my colleagues are around, but... Well why don't I say I'll call you back by 7:30 no matter what happens, even if I get no answers at anybody's...

LAVOIE: At 7:30, myself, I'm on a conference call regarding my other assignment going down to Latin America so.

CASHORE: Oh, okay.

LAVOIE: Either in you call me before, or after 8:30. Before 7:30 or after 8:30.

CASHORE: Okay. Well, I'll do that. I'll either call you before 7:30 or after 8:30.

LAVOIE: Uh, okay.

CASHORE: Okay?

LAVOIE: And please get my point. I mean, if only for human reasons, try and see if we can deal with it this weekend. Nothing is going to happen

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beyond you and I and he, but I'm trying to, you know, kind of help his life a little bit here. He is going nuts.

[phone ringing]

LAVOIE: Hello?

CASHORE: Hi Luc. It's Harvey Cashore.

LAVOIE: Yes Harvey.

CASHORE: Um... So, uh... I guess my feeling is that, you know, I want to speak with Mr. Mulronev and I think I have a right to, you know, speak with him about this to get candid, unrehearsed answers. That I want that opportunity, and I don't want to leave him hanging on anything. I'll talk to him right now, you know, I... I'll be at the phone, I'll be right there to talk to him. I don't want to leave him hanging on anything. But I do want to talk to him.

LAVOIE: Okay. Uh, I talked with him after we spoke.

CASHORE: Yeah.

LAVOIE: And I tried to convince him to do that.

CASHORE: Yeah.

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LAVOIE: It was negative.

CASHORE: Right.

LAVOIE: If only... The only positive thing I can say is he said, try and get me some more and I'll see if I... if I speak with him. I told him everything I knew, but he says, on that basis I'm not speaking with him. If there is anything more serious than this I may.

CASHORE: Any more serious?

LAVOIE: Well, any... any more specific.

CASHORE: Oh, I see. Yeah. Yeah.

LAVOIE: And I'll pass it on over to him.

CASHORE: Yeah, okay, but I just want to get it across, I don't want to leave him hanging. I'm happy to talk to him, you know, right now, any time, day or night, I'll do it.

LAVOIE: Yeah but... But I... I just told you.

CASHORE: Yeah, but that's his decision then to decide not to talk to me. But that's his decision, to decide to do that.

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LAVOIE: Yeah, but... but you say something, Harvey, that is a bit puzzling to me.

CASHORE: What's that?

LAVOIE: Why do you say you have a right to talk to him?

CASHORE: Okay. Fair enough. No, you're right. I... no, he has a right not to talk to me. You're quite right. He does. I just... I think... I would like to get candid unrehearsed answers. You're quite right. It's his right to respond however he wants to.

LAVOIE: But... But why don't you give me a little more? Don't give me everything, give me a little more. I'll get it over to him and see what... what he does.

CASHORE: Hmm. Well, um... Yeah. Um...

LAVOIE: I'm not playing a game here. I'm just telling you, I told him...

CASHORE: No you have to... you have to listen to what he's saying. You work for him and you have to listen to what he says, so... and you're relaying that and I appreciate it, but... And I'm relaying to you, because he's

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obviously asked you to take on this role, and I'm relaying to you what, you know, I think I would like to, you know, that I would like to talk to him and that I think it's important that I talk to him. And, you know, I'm taking this seriously and I am... and I'm being respectful of this. And the last thing I want to do is leave him... leave him hanging. It's the last thing I want to do. And I'm willing to talk to him, as I say, anytime.

LAVOIE: Um, so you won't give me anything more specific.

CASHORE: Well, I'm not going to say no to anything... I'm not going to say no to anything like that. This is, you know... I mean, if we can think about it some more and talk again on Tuesday, I'll be happy to do that.

LAVOIE: I'm sorry?

CASHORE: If we could think about it some more, both you and I. If there could be some movement on our positions, why don't we think about it some more and talk on Tuesday?

LAVOIE: No. I mean, I'm sure that beyond what I said...

CASHORE: Yeah.

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LAVOIE:... there will be nothing more. Like, I mean, I really said, look, I mean you've got... And he said, look, get me some more and I'll see if I speak with him. Because all I can tell him is pretty... pretty, you know, vague.

CASHORE: Pretty vague.

LAVOIE: It is. It is pretty vague, you have to admit.

CASHORE: Yeah. You know I... Um... I mean, I don't know what... I can't put myself in his mind about what he's going to say. I don't know what he's going to say.

LAVOIE: What?

CASHORE: I don't know what he's going to say.

LAVOIE: Oh, I...

CASHORE: That's why I want to talk to him. I don't know... I don't know what he's going to say.

LAVOIE: Yeah but... but if you give me a little more then I will... I will convince him to speak with you.

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CASHORE: Okay, if we could just... if we could just get past this for a second. Now if... if he was to decide to speak...

LAVOIE: Yeah.

CASHORE: ... and if the... I don't know what more but, if that were to happen, now, this undertaking that you've offered...

LAVOIE: Yes.

CASHORE:... can you just go over that again about what... You're saying that Mr. Mulrone and yourself, um, will not speak to journalists and other people about this so that it would not get out into the public discussion. Is that what you're saying, or?

LAVOIE: Exactly.

CASHORE: Okay. Um...

LAVOIE: And that's very firm.

CASHORE: And you would... you would put that in writing.

LAVOIE: I would put that in writing if you want it in writing.

CASHORE: Okay. And... And just all on that, um... I guess one of my other concerns might be could we also agree that there would be an undertaking that by sharing this information that's come across my desk, as it were, that we would not sort of be facilitating some kind of court application before... before broadcast, that by, you know, sharing with you my research that that wouldn't happen.

LAVOIE: I don't know that I can make such a commitment because really this is in the court of the lawyers, and...

CASHORE: Yeah.

LAVOIE: ... his relationship with lawyers is his relationship with lawyers and...

CASHORE: Right.

LAVOIE: ... and I don't know that any citizen in Canada would deprive himself or herself of their right to... to go to court if they choose to.

CASHORE: Oh, I'm not suggesting that he would...

LAVOIE: And, uh....

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CASHORE: No, I'm not suggesting after broadcast, if he felt...  
I would never suggest that. But that somehow by us sharing factual information that  
this would facilitate some kind of court application would concern me. That I  
would be opening up my... my research and...

LAVOIE: No. No. Oh, that's what you have in mind?

CASHORE: Yeah.

LAVOIE: Like, we would go and move and get some  
subpoenas? Then no, no, no.

CASHORE: Well that's all I meant, yeah.

LAVOIE: No, no, no.

CASHORE: Yeah. Yeah. Of course not.

LAVOIE: No, no.

CASHORE: Yeah.

LAVOIE: But if something (inaudible) he will.

CASHORE: Oh, no, no, no. Oh, of course. I would never  
suggest that. No. No. Everybody has a right to...

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LAVOIE: No, no, no.

CASHORE: Yeah.

LAVOIE: We're not going to try and get some court order to get your stuff, no.

CASHORE: Yeah, yeah. That's... Okay, that's all I was asking.

LAVOIE: No. I mean, that we won't do.

CASHORE: Yeah. No, there's also the possibility – frankly it's happened to us before – of injunctions. You know, there's a legal manoeuvre where people can get injunctions before broadcast so that we don't... you can't broadcast your research.

LAVOIE: Well, I mean... Once he has the information he'll decide what he does. I... I don't know that he has ever thought about an injunction. Like, don't forget Harvey...

CASHORE: No, no, I...

LAVOIE: ... that the 27<sup>th</sup> of October 1995 ...

CASHORE: Yeah.

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LAVOIE: ... the story that was on the air was, according to every one of the five lawyers working for him, fully libellous, and we chose not to do anything. So, (laughs) you know, our record is not so bad. We haven't sued any media.

CASHORE: Sorry, which story was fully libellous? Sorry?

LAVOIE: October 27, 1995. The one where Pellosi was using his name.

CASHORE: Oh, I see. Of course I would obviously fundamentally disagree with you on that and, uh, I'm sorry...

LAVOIE: Yeah, of course you would.

CASHORE: ... I'm sorry to hear you...

LAVOIE: No I'm... I'm... I'm fine.

CASHORE: Fundamentally... Yeah.

LAVOIE: You may fundamentally disagree. I'm telling you that back then, four years ago...

CASHORE: Yeah.

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LAVOIE: But we won't, you know, use it, share it with any other news organization, with anybody else. We just want to know what it's about.

CASHORE: Yeah. Okay, well... Lets... it's getting late anyway. Why don't we try and... You're leaving tomorrow?

LAVOIE: I'm leaving at noon tomorrow.

CASHORE: At noon. It's all very complicated, isn't it?

LAVOIE: Yeah, you make it complicated Harvey.

CASHORE: No, you're making... I just want to talk. I just want to talk. And I'll talk right now and right away. I'm making it as simple as possible.

LAVOIE: No you're not.

CASHORE: Yeah.

LAVOIE: You're not. Like, I mean it's not like the man is taking every call from everybody that calls him. That's not the way it works.

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CASHORE: As you said, and corrected me, you're quite right, and it's his right. It is his right not to speak with me. I... You're quite right. But it's his decision.

LAVOIE: Yeah, it is his decision as well, indeed.

CASHORE: Yeah.

LAVOIE: Indeed. You know, I mean... I mean, the bottom line is that he never received any money from anybody.

CASHORE: Okay. Well look, let me give it some thought. I'll try and call you tomorrow. If not I hope you can call me from you know, South America, and we can, you know, keep the dialogue going. I hope we can.

LAVOIE: When are you going to air?

CASHORE: Um, I think... You know, I wouldn't... You know, what the heck. I think we are going to air on the 20<sup>th</sup>.

LAVOIE: The 20<sup>th</sup>...

CASHORE: Of October.

LAVOIE: ...which is in... not the next...

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CASHORE: It would be...

LAVOIE: Tuesday the 20<sup>th</sup>?

CASHORE: No, we're on Wednesdays now.

LAVOIE: Wednesday.

CASHORE: So it's Wednesday the 20<sup>th</sup>.

LAVOIE: So it's in a week and a half from now.

CASHORE: Yeah. Well... Yeah.

LAVOIE: Okay. All right.

CASHORE: Okay.

LAVOIE: I think you should tell me more, but that's your decision.

CASHORE: Yeah. All righty. Um, so I hope... I hope that if we don't talk tomorrow that you will call me from South America and we can keep this discussion going. I hope we can.

LAVOIE: Okay.

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CASHORE: Okay, thanks a lot.

LAVOIE: Okay.

CASHORE: Bye-bye.

LAVOIE: Bye-bye.

[hang up]

[new call]

LAVOIE: (in progress) the commitment (inaudible) attempt for any injunction...

CASHORE: Yeah.

LAVOIE: ... nor will there be any attempt at seizing documents or anything like that. He says he has no interest in that whatsoever.

CASHORE: Yeah.

LAVOIE: And he gives me a blanket commitment that he won't do anything like that.

CASHORE: Right.

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LAVOIE: And he has, you know, carte blanche to handle this file. So I don't know if it... if it makes it any easier for you to give me a bit more, but ...

CASHORE: Okay. Well, (6 seconds inaudible) my, you know, hopes to have an interview with Mr. Mulroney.

LAVOIE: Yeah, of course.

CASHORE: This is, of course, what I'm hoping for so...

LAVOIE: This is... this I fully understand.

CASHORE: If you're suggesting that that's possible, if there is some movement here, then I welcome that. And I just... I was about to head off and go home now. Can't we talk tomorrow, or can we...

LAVOIE: Tomorrow I'm off at noon and...

CASHORE: Off at noon. Yeah.

LAVOIE: Why not tonight? (laughs) I mean, really, I'm just...

CASHORE: Because all of us sleep.

LAVOIE: Yeah, so do I, but I....

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CASHORE: Yeah.

LAVOIE: My Thanksgiving weekend is dead anyway, so...

CASHORE: Well, so is mine.

LAVOIE: Yeah.

CASHORE: Yeah. No, I ... Look... If I'm responsible for that I'm sorry. I don't mean to, you know, ruin anybody's Thanksgiving weekend, that's for sure. Um, so, what... So what is it that you think Mr. Mulroney needs to know that will make him want to... that will... Talk to me. I'm confused.

LAVOIE: Well, I can ask you a couple of things. Does his name appear in any document that you've seen showing that he has received money from anybody? And if so, what kind of money are we talking about?

CASHORE: Hmm. I'm not trying... I just want to figure out... I'm not trying to be... Okay... um...

LAVOIE: His name, or a code name?

CASHORE: Okay, well. Okay. Um... Okay, you're very smart to have asked me that last question.

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LAVOIE: So there is a code name that looks like him.

CASHORE: You're very smart. You're a very smart person.

LAVOIE: Okay.

CASHORE: That some might say. Okay, let me really stress that. Stress that, some might say. Okay? I'm not... I really have to insist, I'm not making any conclusions here. But there is a code name that, if you looked at it, you might say that.

LAVOIE: Oh, I see. You might, because it sounds like his name? It spells like his name? It...

CASHORE: It's very close to it.

LAVOIE: Very close to his name. Um, because, can I tell you on my part something totally off the record, just for your understanding of our understanding?

CASHORE: Um, I hesitate to say yes to off the record things, but if you mean not for attribution, I'm happy to hear something not for attribution.



LAVOIE: No, off the record really, because it's an opinion that I want to express.

CASHORE: If you think it's not newsworthy and it's not... it's a side point, yeah I'd be happy to hear it, sure.

LAVOIE: No, I think it's a side point and I think...

CASHORE: If you're trying... You're trying to help me understand something...

LAVOIE: Yeah, I want you to understand something here.

CASHORE: Sure. Yeah, I would like to understand something.

LAVOIE: We believe, but we don't want this to be spread around in any way shape or form, that Karlheinz Schreiber is the biggest fucking liar the world has ever seen, you know what I mean? (laughs) That's what we'll believe. And we are very afraid that this man was quite capable of using anybody's name to get money from somebody else. We have no proof of that. We have no evidence to that that would lead us to believe that. But... But this is the way we feel about it. And that's certainly why Mr. Mulroney is so nervous.

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CASHORE: Okay, well let's... okay, let's stop talking...

LAVOIE: Off the record.

CASHORE: Off the record.

LAVOIE: Yeah.

CASHORE: Okay. Just let me say... then please... Okay, aside from what you said about what you thought about our second show, which I fundamentally disagree with and I'm disappointed to hear, why can't somebody like you say that and talk to us about... and if...

LAVOIE: Because...

CASHORE: What you're telling me now is that we do need to meet and we do need... I do need to talk to Mr. Mulroney, and I do need to present him this because it's... I mean I need to hear it. This is the kind of perspective I need to hear. It really is. And I say that sincerely.

LAVOIE: As you... You know why I can't say that on the record anywhere?

CASHORE: Why?

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LAVOIE: Because it's libellous to say that.

CASHORE: To say...

LAVOIE: To say that we believe somebody is a liar. I don't have any evidence that he is. But we are led to believe by the events as they unfold that the guy is a bullshitter.

CASHORE: Okay, who then would you recommend I speak to to pursue that? Because that's... I would like to pursue that and I... I mean, I hope it's not libellous because... to say that what you're saying hasn't not been said before, right? This is not something new that I'm hearing.

LAVOIE: You see, I mean, one of the myths here, Harvey, one of the myths here all along is that Mulroney and Schreiber were somehow close. They were not. They never were.

CASHORE: Well what was their relationship?

LAVOIE: It was... It was very minimal. Their relationship was that the man was pushing for a project in Nova Scotia, especially on Cape Breton Island. It was... you have to go back in history and look to 1985 or about that time. This is when there was a special... what was it called? Corporation or whatever that

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was put together to help Cape Breton Island and so on and so forth. This guy was pushing for a project that sounded like it would create a lot of jobs. So because of that he got to people like Elmer McKay and he got to people like Alan McEachern because he was from that region as well...

CASHORE: Right.

LAVOIE:... and he got to people like the entourage of Mulroney, I mean people like Fred Doucette, and he got to people like that and he made this project sound like it was very credible. And I think the feeling Mulroney had, and certainly the feeling that was pretty well spread around back then, was that if somebody is offering a project that may create hundreds of jobs in Cape Breton, we want to listen to him. And if this is foreign investment coming into Cape Breton Island, we need this. It's like a gift from God.

CASHORE: Uh-huh.

LAVOIE: And that's essentially where the relationship existed. That's about it. There was nothing else to the relationship. Now we learned in Phil Matthias's piece two weeks ago or so – and believe me we learned in that piece that he probably... he might have contributed to his... to his leadership campaign back in 1983. We didn't know that. Mulroney checked his record. He doesn't have a

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record of people who gave below a certain amount of money, and I don't remember if it's 3,000 or what. And he doesn't have a record below that, but above that there was no Karlheinz Schreiber. He actually wrote a bunch of letters thanking people who gave to his leadership campaign and Karlheinz Schreiber was not a man that received a letter of thanks for that. So... So we're trying to... So the myth, once again, is that they were close. They were not close. They were never close. Actually they were not... I mean, it would be totally wrong to describe them as friends because they were not friends. They were acquaintances who had learned to know one another through this project that he was pushing using any means available, any lobbying effort, that included, you know, all the lobbyists that you know about, plus Mark Lalonde, plus Alan McEachern, plus any connection he could use, the Atlantic Brooker (ph) thing which is an association transatlantic and all of that. Up to that point there is zero there. There is nothing to it. You know what I mean?

CASHORE: Okay, how... If I can ask, how did... how did they first meet from your perspective?

LAVOIE: Um, I don't know the exact answer to that but they... he said they never met before he was elected Prime Minister. And on this I would

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refer you to the transcript of his examination on discovery in April of '96. This transcript is public.

CASHORE: Yeah. Yeah, I've read it. Yeah.

LAVOIE: And he was under oath and he said there, everything I guess that one can say about this relationship with Karlheinz Schreiber.

CASHORE: Okay. But I think he did say... I may be wrong because you'll be more up on this and I am, but I think he did say he did meet him before he was Prime Minister, but...

LAVOIE: I don't think so. He may have, but I don't recall that.

CASHORE: Okay. Okay.

LAVOIE: It may be, but I don't recall that.

CASHORE: And, like... If I can ask...

LAVOIE: And he said he met him once after he left his job as Prime Minister, here in Montréal, at the Queen Elizabeth Hotel.



CASHORE: Once. Okay. And what was... why would he ...  
I'm just asking questions because you're raising it. Why would he even meet him  
the once? What was the occasion, I guess?

LAVOIE: You mean in the Queen Elizabeth?

CASHORE: Yeah. Yeah.

LAVOIE: Oh, the guy was in town, called all Mulroney and  
says, I'd like to meet you because you know I'm still pushing the project that you  
guys rejected...

CASHORE: Oh, okay.

LAVOIE: And I'm pushing it with the Liberals and I'd like to  
know what you think about it because I think I'm changing location and I want to  
make the project now happen in Québec. So Mulroney thought it was a funny thing  
and he went and he said he had a coffee with him. That's it.

CASHORE: How many times did you say he met with him  
during the years that he was Prime Minister?

LAVOIE: I don't know the exact answer to that, but a few  
times.

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CASHORE: Okay. Uh, I mean... How... How would Karlheinz Schreiber describe the relationship? Or how do you know that he's described the relationship?

LAVOIE: Karlheinz Schreiber... How would Schreiber describe the relationship?

CASHORE: Yeah.

LAVOIE: I have personally... I am a straightforward guy. I have personally spoken to Karlheinz Schreiber once in my life.

CASHORE: Oh really.

LAVOIE: It was in the spring of '96. I was sitting in my office who was then in Ottawa. And the phone rang, out of the blue, around six o'clock. And there was this man with a very thick accent, because he's got this very thick accent which, to me, was hard to understand, I'm French-Canadian and I guess I don't get English as well as anybody else who is Anglophone. And I... And then I said, who's speaking? And it was clearly a long distance call. And he says, Karlheinz Schreiber here. He was just laughing and saying, I read all about you and people send me clippings and you're always quoted in there and I wanted to tell you

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that you're doing one heck of a job, and so on, and so forth. And so I jumped on the occasion and I said, where do you think this is heading, sir? He says, oh this is all a hoax, this is all a joke and you know, and in due time people will find out that this was all a hoax and a joke and so on and so forth. And that's the extent of what I got from him. I spoke to the guy once in my life. That's all I know.

CASHORE: Uh, I guess this is a very... He's often said that, of course. What you think he refers to when he says this is all a hoax? Like... At various times he'd say he wasn't involved in the Airbus deal at all. Sometimes he says...

LAVOIE: I asked him specifically and... I asked him specifically if he had anything to do with the Airbus thing. He says, no, no. I asked people who've met him what he was like, and I've asked people like Norman Spector. Spector didn't speak to us while the trial was being prepared, for your information...

CASHORE: Yeah.

LAVOIE: ... for whatever reason. I think Norman was of the opinion that if he was to speak with us he would compromise his credibility. So that's... that's his approach to it. But once this was over, we spoke about it. And...

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Norman, I said, did you meet him? He said, yeah, I did, twice. And I said, how was he? He says, well he thought bureaucrats were all a bunch of assholes and he says he was very pushy for his project, and then he ended – I remember the word – he says he was your typical hustler. (laughs)

CASHORE: Right.

LAVOIE: That's all... That's all he told me.

CASHORE: Well. Is he the kind of guy who could show up and just have a meeting with Mulroney if he just showed up at the Langevin Block or the office of the leader of the opposition? Did he have that kind of access? Or...

LAVOIE: Certainly not. No way. It was just not physically possible and it wouldn't happen.

CASHORE: Okay. So, talking to...

LAVOIE: And by the way, Mulroney never was at the Langevin Block, so...

CASHORE: Pardon me?

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LAVOIE: Mulroney never used his Langevin... his Langevin Building office. He was always on the Hill. Just a detail.

CASHORE: You're kidding.

LAVOIE: No, he never was there. Never.

CASHORE: That's... I never realized.

LAVOIE: Chretien doesn't use it either, and Trudeau didn't use it either.

CASHORE: So whenever...

LAVOIE: The staff is there.

CASHORE: So whenever we always filmed the lights burning late at Langevin Block it's all bullshit.

LAVOIE: No, it's the Chief of Staff and that type of people...

CASHORE: Oh, okay.

LAVOIE: ... but the Prime Minister himself is always on the Hill. It's true for Chretien as well and it's true for Trudeau.

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CASHORE: Well I learned something just now. Thank you. Yeah. Okay. So, but you know what I meant. The question was about, you know, getting access and that kind of thing.

LAVOIE: You can't... No. The answer to your question is very clearly, resoundingly no.

CASHORE: What... From what he knew of him, what impression did he have of him at the time?

LAVOIE: What impression did he have of him at the time?

CASHORE: Yeah.

LAVOIE: I never asked him that question.

CASHORE: Okay.

LAVOIE: I don't know the answer to that.

CASHORE: Okay. All right. So... But when you... Just go back to your original... well I don't want to...

LAVOIE: Off the record comment.



CASHORE: Yeah. Yeah, I don't want to do that because we're... you know... but how... Well let me ask you a question and tell me whether you can answer it. What would make you think that Schreiber may not be, you know, less... maybe less than completely, you know, uh, forthright?

LAVOIE: Well, um, why is it that Pellosi was saying what he was saying, you know? I don't know this Pellosi guy. And even if I knew him, it wouldn't change my mind. Like, he probably didn't make up the entire thing he said. He probably... he probably... he might – I shouldn't say he probably didn't make up – he might have not made it up. He may have heard that. Right?

CASHORE: Uh-huh.

LAVOIE: So if one is to assume that he may have heard that, and believe me, we haven't spoken to Pellosi, then what the hell is this about?? And the only thing one can think of is it could be somebody that was trying to convince somebody else that he needed money for a third party which might have been a head of state or a government.

CASHORE: Uh-huh.

LAVOIE: Therefore getting more money for himself. It could be that. We don't know that. And I want to be very careful here. We do not know that. But if ever there is the name of Brian Mulroney anywhere, it has to be that because there never was any money. And to think otherwise is really to not know Mulroney. He's too smart to do something like that. This is too dummy. It's too damn stupid. He wouldn't do that.

CASHORE: So, um, I appreciate you are talking in theory here and I see nothing wrong with talking in theory when you've got a certain set of facts and you want to understand things. What would prompt someone like Schreiber to actually, like... if he did – and these are a lot of ifs and theories here, and I would appreciate that what I'm also asking here it is within this context, I'm not trying to suggest anything myself. But what would prompt him, if he did that, to use names like that?

LAVOIE: Well I... I repeat my point. If there is any truth to it, if there is ever any truth to the name being used, it might be because somebody once wanted to convince somebody else that the money was needed to be paid over to a third party, therefore increasing his own revenue.

CASHORE: Uh-huh. Right.

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LAVOIE: But that's pure theory.

CASHORE: Yeah, I understand. Right.

LAVOIE: We have no evidence of that.

CASHORE: Yeah. Is there any other... What other people or facts or information would you... could you point me to that might give me information about whether Mr. Schreiber is truthful or not. Is there somewhere else you could direct me to sort of to look into or talk to, that kind of thing?

LAVOIE: That he's not what?

CASHORE: That he may or not... if we're asking the question to ourselves, is Mr. Schreiber truthful or not truthful, that's our question...

LAVOIE: Uh-huh.

CASHORE:... is there anybody else or any other facts or people or information you could direct me to, to try and further that path of research?

LAVOIE: Have you tried to speak to the people involved with him? I haven't. Like have you spoken with Mark Lalonde?

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CASHORE: I... One thing you'll appreciate and it's... I...

LAVOIE: You don't have to tell me, but I'm telling you....

CASHORE: Yeah okay, I understand. As a habit, I don't say who I speak to, just as a habit. But, yeah, Mark Lalonde is a good idea.

LAVOIE: Alan McEachern is a good idea. They were very obviously very close.

CASHORE: Yeah. How did... From what you've heard, and I'm not suggesting you're going to know, but from what you've heard what was his relationship with Mark Lalonde and how did it begin?

LAVOIE: I think Mark Lalonde is himself on the record as saying that he was very seriously involved with him with legal and commercial advice.

CASHORE: Right.

LAVOIE: Um...

CASHORE: I don't know what that means though, but...

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LAVOIE: Well, I mean, at least the word commercial was in there, so there must be something connected to some trade of some sort. And I guess the involvement must have been pretty tight because he chose to expose himself publicly by paying part of the bond.

CASHORE: Yeah. Oh, yeah. Right. Yeah.

LAVOIE: So, I mean, it obviously was pretty... pretty serious.

CASHORE: But what does Mr. Mulroney think of his friends like Fred Doucette and Elmer McKay and others being so friendly with Schreiber these days? I don't know about Fred Doucette, so I shouldn't say that, but Elmer McKay.

LAVOIE: Elmer McKay, you mean.

CASHORE: Yeah.

LAVOIE: You're calling him Allan.

CASHORE: No, no. Elmer. I'm mumbling. Elmer McKay.

LAVOIE: Elmer McKay. Oh, I don't know what he thinks of that. I don't know what he thinks of that. He certainly knows that Elmer McKay

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was pushing for the project because it was right in his area, which is to be expected. And actually, you know, I mean Lowell Murray was also of the opinion that it was a project that should be looked at, seriously.

CASHORE: Yeah.

LAVOIE: So I mean... What does he think of that? He thinks that people in their region are pushing for their own projects, essentially.

CASHORE: And... You're not the person for this I don't think, but I would love to talk to somebody about that whole Theissen project and what... in the end what led to its demise, you know. That's an interesting topic for me. Because in the end, as Mulroneu quite rightly pointed out, he didn't approve it.

LAVOIE: He cancelled it.

CASHORE: Yeah. So what... But what was it that led to that?

LAVOIE: Well, Mulroneu said under oath that it was when he was informed that it was to be outrageously expensive. That's when he said he cancelled it. Now, Matthias wrote, two weeks ago, that it was following efforts by the Jewish lobby. And that's a theory I had heard myself a few years ago when the whole Airbus trial was ongoing, that the Jewish lobby had something to do with it

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because my understanding is that Theissen was trying... was planning to sell this military equipment to Arab nations, number one. And number two that Theissen was very connected to the Nazis in the Second World War. Now I never checked that. This was stuff that was reported to me. And I don't know that the Jewish lobby did or did not intervene. I'm told they did.

CASHORE: Oh they did early on, in the early... I've done a bit of research into this of course, and early on, no question Sydney Spivac was not pleased, but I think, in the end I think what Mr. Mulroney said actually sort of bears fruit, that it was expensive according to the DND bureaucrats. I think that's true. But my question... One of my questions has always been, in 1988 in the summer, the government – Perrin Beatty, Robert DeCotret, and I think Gerald Merrithew – signed an understanding in principle with Karlheinz Schreiber...

LAVOIE: Uh-huh.

CASHORE: ... and... so tell me what prompted that.

LAVOIE: What prompted that?

CASHORE: Yeah.

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LAVOIE: Uh, I think... My understanding of what prompted that is the following. The Department of National Defence, and I guess it's still true today, is not known to be very cooperative with anybody that's looking at regional development factors in giving out a contract of any type. In other words, the Department of National Defence has the deputation of being very, very independent and doing whatever they want to do. And it's been proven several times. I remember in the Trudeau years when they decided to go for the F-18 while there was the Cabinet pushing for the F-16. So the reasoning of many of the ministers was that maybe Theissen has got a point and the Department of National Defence does not want to deal with them because they've got their mind made up that the thing should be a GM project. So maybe we can force it a little bit by telling them, look guys, we're serious. We want this to be considered because we have other factors because we are elected to run the country and we think that regional development factors are just as important as any of your own factors. I think that's exactly what it was. It was an arm-twisting operation on DND.

CASHORE: Uh-huh.

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LAVOIE: And DND, I guess, didn't give up, which is fine by me. And not only that but the project proved to be way more expensive than what it was advertised to be. And when it became clear, the project was killed.

CASHORE: Uh-huh. And of course Mr. Mulroney himself does say in his testimony that he did continue to meet with Mr. Schreiber on the file...

LAVOIE: Yeah.

CASHORE: ... afterwards. And what was just sort of the thinking there?

LAVOIE: Because he was... he was coming up with the modification of this type and this one and he was saying he was improving the project and it was a better one now and it was more acceptable. I mean there's one thing that I guess one has to say about Karlheinz Schreiber from what we know about him. The guy doesn't give up easy, eh?

CASHORE: Yeah. (laughs) That's true.

LAVOIE: And once the Liberals were elected... I'm sure you've seen the letter by Marc Lalonde to Jean Chretien. Have you?

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CASHORE: I have a copy of it in my files.

LAVOIE: Yeah. I mean Marc Lalonde writing to Chretien when the contract was sole-sourced to London Ontario, GM, he wrote a letter to Chretien saying that, you know, you're perpetuating practices from the previous government, he's saying this in a very negative way, by not going to tender and so on and so forth. So as I said, the guy is certainly not known to give up. So he was coming back with his project, repackaged, and I understand that after the Liberal government was elected, relocated.

CASHORE: Yeah, okay. When were you... What years were you in the PMO?

LAVOIE: I was in the PMO from 1987 to 1990 and the summer of 1991.

CASHORE: Okay. Okay. What... At that time, like I was working for John Sawatski at that point so I was... everybody was talking about that Airbus story. It was all over the place.

LAVOIE: Uh-huh.

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CASHORE: Okay.

LAVOIE: ... but I saw a lot.

CASHORE: Okay, let me ask you this. What did happen between Frank Moores and Brian Mulroney in your opinion?

LAVOIE: Oh, the fallout?

CASHORE: Yeah.

LAVOIE: My understanding is that Frank gave an interview to a St. John's newspaper in which he was saying that Mulroney should resign, or should think about being replaced by another leader because he was so low in the polls that it was not possible to catch up. When Mulroney read that I understand, and I think he said that in public as well, he was so pissed off that he phoned him, told him to fuck off, and I guess they never were friends again.

CASHORE: Okay. I've heard that story and what I'm trying to sort out about that is, as I understand it, they were... like 8 months later they were, you know, he was over for the New Year's Eve celebration at Harrington Lake; that it was a falling out for sure but that they managed to patch things up at some point.

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But... Do you have any... I may be wrong on that, I'm just trying to... you know I've heard a couple things like that. Do you have any sense of that?

LAVOIE: I've heard that people tried to get them together again...

CASHORE: Yeah.

LAVOIE:... and that it never worked. Mulroney has got a long memory.

CASHORE: So they may have been in the same room, but they wouldn't have been talking.

LAVOIE: That's true.

CASHORE: Yeah, okay. And what about Mr. Mulroney's relationship with Gary Ouellette? What was it like?

LAVOIE: I think they've known each other from the days of the Laval University.

CASHORE: Yeah.

LAVOIE: Beyond that, they knew one another because of that and then Gary, I knew him as... I first met him when I was still a journalist and he was the Chief of Staff of to Benoit Bouchard when Bouchard was a junior minister. I don't know how long he was in there. No more than a year, probably less, in the early days of the government.

CASHORE: Uh-huh.

LAVOIE: Bouchard was a very junior minister. And I met this guy, who's quite actually, quite a pleasant guy, quite a funny guy. Then I knew that he was a lobbyist in Ottawa with the group – whatever it was called, GCI or something like that...

CASHORE: Yeah.

LAVOIE:... and, frankly that's about it. What the relationship is with Mulroney, it certainly was a friendly one, going back years. But that's about it.

CASHORE: I mean one of the things I had heard that as a lobby firm, GCI, with Moores sort of at the head and because of his notoriety and that, that it wasn't really working out very well and that Gary Ouellette who was

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much different, still clearly a fun person but different, was a better person to be able to introduce, you know, business perspective to government relations in Ottawa.

LAVOIE: I don't know the answer to that. I... There's a lot of myth going around. Like those people were not in the Langevin Building, you know?

CASHORE: Okay.

LAVOIE: I was. (laughs) They were not.

CASHORE: Okay. So, did you ever personally see Schreiber in the... anywhere in Ottawa in those days?

LAVOIE: I'm sorry, did I ever meet...

CASHORE: See Schreiber in Ottawa in those days?

LAVOIE: No, never.

CASHORE: Okay. What about this guy Greg Alford who ran Bear...

LAVOIE: Don't know him.

CASHORE: Oh, really?

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LAVOIE: No.

CASHORE: Okay.

LAVOIE: I understand he still works for Schreiber or something like that.

CASHORE: Well I think they are into the Spaghetissimo (ph)...

LAVOIE: Oh, yeah.

CASHORE:... that machine... yeah. Okay. So, where do we go from here? I guess I was pretty forthright with you. You asked some pretty smart questions...

LAVOIE: Um...

CASHORE: So where do we go from here?

LAVOIE: I don't know. I'm going to speak to the person and to see what he says. Code name, I'm very... I'm sort of... what can I say, sceptical about it because I remember the business card with the B.M. on it and (laughs) which you do too. And I also remember the Devon account. So code name to me is not really convincing.

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CASHORE: Fair enough. And this is... this is a different, if I can just say that, it's...

LAVOIE: It's closer.

CASHORE: Well it's also... You'll know from every one of the stories that we did that we always said we had no evidence that any monies went into either one of those accounts. We... I don't think we'd be saying the same thing this time.

LAVOIE: You have evidence that money went into the accounts of Schreiber.

CASHORE: Yeah.

LAVOIE: I suppose... I guess that's pretty easy, the Germans...

CASHORE: Yeah. That's right. Well actually but the... Well, yeah, I mean, some people would say there is no evidence...

LAVOIE: And I read recently that Frank Moores was quoted, I guess, in the National Post as saying he did receive commissions for the helicopters.

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CASHORE: And maybe for the... I'm trying to keep track of what Moores says, when he says, and... it does change frankly. It does change, you know, so you have to keep track of what he's saying.

LAVOIE: I did.

CASHORE: Yeah.

LAVOIE: And what has changed?

CASHORE: Well when we first spoke to him he said he'd never had a Swiss bank account. So that was the first thing that changed, is that six months later he said he did...

LAVOIE: Yeah.

CASHORE: ... have one. That's the one I think of most.

LAVOIE: Uh-huh. Uh-huh.

CASHORE: So... And I...

LAVOIE: And then what else changed?

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CASHORE: Well that's the one that I always sort of think of the most. As for receiving commissions, I don't know that he's talked about that before.

LAVOIE: Yes. No I've never seen that before. It was the first time I read that.

CASHORE: You wouldn't call that change, but you'd call it new information for sure.

LAVOIE: Yeah.

CASHORE: So...

LAVOIE: Well, it was the first time I saw him saying this, but I never heard him say otherwise either, that he had... He never said he hadn't received commissions on the MBB....

CASHORE: Oh. Oh yeah. Oh I see. You know, in fact I think he'd always said he'd received commissions on MBB and Theissen. I think he'd always... That was always very public.

LAVOIE: But he never said he received commissions on Airbus. He actually denied it recently again.

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CASHORE: Right. So I guess he's actually not changing that. I guess... I think what Phil Matthias had asked him what was about this in Frankfurt thing that had come up in...

LAVOIE: Yeah.

CASHORE: That's what I think he was asking about.

LAVOIE: Yeah, but he did say in this thing in the National Post that he has never received any commissions regarding Airbus, but that he had... but that he did in connection with the helicopter deal.

CASHORE: Okay, I'll have to go back and reread it. Yeah. But I mean that's the thing about... I mean the Theissen lobby was a perfectly legitimate lobby. I mean it was nothing... frankly, any lobby on behalf of business interests, legitimate business interests, is legitimate. There's nothing wrong with being a lobbyist.

LAVOIE: Uh-huh.

CASHORE: You know. As a journalist what's... what I, you know, find interesting is when things are perhaps hidden or not completely open. And as all journalists think, that there... okay, let's expose what people don't know

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about. Let's tell that story. And the last thing you want to do is tell a story that's inaccurate or that isn't on the mark, and that's why we try and talk to as many people as we can and sort... separate fact from fiction. And the last thing I want to do in this story is put something out that's inaccurate.

LAVOIE: Uh-huh.

CASHORE: And my goal is to separate that fact from the fiction and the rumor from the... you know, from the fact.

LAVOIE: Uh-huh.

CASHORE: And... Luc, I sincerely believe that, sincerely want to do that.

LAVOIE: Uh-huh.

CASHORE: And I hope you believe me.

LAVOIE: I'm... You know, I'm not disputing that at all. I... But why do you put so much effort into this? Do you seriously believe that he did receive money or what?

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CASHORE: Oh I put... You want to know why? Frankly ... efforts. I mean, I've tinkered on this file for four years but frankly it hasn't, you know, been a preoccupation... in fact there is probably about two years when I didn't even want to think about it I was so bored with the topic. I mean, frankly, you have to sort of move on and do other things, and I did.

LAVOIE: Uh-huh.

CASHORE: There was two years when I just, ugh, it was the last thing I wanted to think about. But for me, my driving motivation is that it's a very simple question, and that is, where did the money go? And I think it's a question in the public interest. And I think it's a question that we should all be asking. And I think it's a question that, you know, we deserve – I don't mean legally deserve – but we deserve, you know, the Canadian public deserves to know the answer to that question.

LAVOIE: The answer to what question.

CASHORE: Where did the Airbus commission money go? Where did it go? And there is one person who has the answer, and that's Karlheinz...

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LAVOIE: Karlheinz Schreiber.

CASHORE: Yeah. I mean, he's got the answer. And...

LAVOIE: He's not... He's not giving it.

CASHORE: Yeah, and I would make... You know, and I think he should. As a journalist I think... I wish he would. Then we could all go do something else.

LAVOIE: Yeah, but, you know, you think he should, you think... I mean, you know... I mean, as far as I'm concerned, regardless of the other comments I made about Karlheinz Schreiber, if he did receive a commission on Airbus sales to Air Canada or anywhere else, because I hear it also has to do with Thailand and other (inaudible)

CASHORE: But that's not the standard that I would... as a journalist that I would accept. Where I come at it is... I say is this, there was a major purchase of aircraft by Air Canada.

LAVOIE: Yeah.

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CASHORE: You know, 1.8 billion, or whatever it was. And along with that purchase there was a side agreement that very few people knew about in which commissions were to be paid to a shell company in Liechtenstein.

LAVOIE: Uh-huh.

CASHORE: Airbus formally has denied that the contracts even existed.

LAVOIE: Uh-huh.

CASHORE: Karlheinz Schreiber has in the past denied it even existed.

LAVOIE: Uh-huh.

CASHORE: This is a very, very secret deal for the sale of these planes. And for that reason alone... And let's just stop it right there. I believe the public has a right to know why that contract was set up, what it was set up for, what it did, and where the money went. You... I mean you may disagree with me.

LAVOIE: I'm not necessarily in agreement with you on this. I am not. I mean...

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CASHORE: No, no. You can. But that's where I'm coming from.

LAVOIE: I mean... No, but Harvey, when you go buy your car at the car dealership, the guy who sells you the car gets a commission. You know that, right? You don't know how much.

CASHORE: Yeah, but he doesn't deny that he was selling me the car.

LAVOIE: No, no. But... But you don't know how much. There's nothing illegal about it. And that's common practice. Now if one, in order to protect his private life, decides that he won't reveal anything, I don't have a problem with it. They don't have any accountability to anybody but whoever they have a contract with. The real question is, did Air Canada pay too much for the planes? That's a question. It's a very serious question.

CASHORE: Yeah.

LAVOIE: Another serious question is did they follow due process when they picked that plane instead of the other one? That's also very legitimate question.

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CASHORE: Yeah.

LAVOIE: And as far as I can see, and everything I've heard and read, they did follow due process. Beyond that, the dealing of a foreign company with its sales representatives is none of my business. It really is nobody's business.

CASHORE: Okay. And you know what? On that issue we disagree. I think it's okay that you have your point of view because I've talked to people with your point of view and that's fine. I have mine which I think it's a legitimate point of view. It's...

LAVOIE: What... What is it? What's wrong with what I'm saying?

CASHORE: What?

LAVOIE: What's wrong with what I'm saying?

CASHORE: Oh I don't necessarily want to even, sort of, get into a debate about what's wrong with your... What I'm saying is... My point of view is a bit different. I mean, I actually...

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LAVOIE: Do you know... Do you know if you look at Atomic Energy of Canada Limited annual report (inaudible) dollars a year of commission to salesmen?

CASHORE: And I've always heard the story about that. I've always wanted to look into that. (laughs)

LAVOIE: But they still do.

CASHORE: Yeah, and there have been stories of ... of, you know, of all kinds of stories over those.

LAVOIE: But... But they still do. It's a Crown Corporation, and they still do. I mean this is the way business is conducted in the world.

CASHORE: Yeah. And I think it's a journalist's duty to inform the public how business is conducted around the world.

LAVOIE: Sure. I mean actually it's in... it's in black and white in the annual report of this Crown Corporation, so I mean a journalist... it's pretty easy for him to report that because it's right there.

CASHORE: And I agree. But Airbus did not put this contract in its ... in its annual report. Didn't.

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LAVOIE: Yeah, because it's their practice not to do so, and they're not a Crown Corporation. They're a different animal.

CASHORE: Well yeah... But... Okay. But that's where we disagree. I mean, and I'm happy to disagree. I mean, I'm okay disagreeing.

LAVOIE: But isn't it a different corporation from a Crown Corporation? It's a foreign corporation...

CASHORE: Airbus.

LAVOIE: Yeah.

CASHORE: Well, what is its makeup? It's owned by three... you know, Germany, England, France...

LAVOIE: That's right.

CASHORE: It's partially... Actually, you know, the economic makeup it's partially private, partially public, it's... I have no idea. It's...

LAVOIE: It's a strange animal.

CASHORE: Is a strange animal. Yeah, it's a very strange animal. Um...

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LAVOIE: But, you know, the practice of foreign companies, European companies, is their own business. And if there is a problem about the way they do business because of the involvement of the state, if people feel that they should be accountable for what they do in Germany, they should do whatever they need to do to bring them out in the open. That's fine by me. But I don't see why, in Canada, the Government of Canada or any of its agencies or anybody involved with them should know how they conduct their business. I mean they're buying a plane and they're examining the plane and they have different committees who are looking at the planes. I have no god damn idea what a plane works like. I wouldn't be a good judge of that. They come up with the recommendation to buy Airbus and they do.

CASHORE: Yeah.

LAVOIE: So... beyond that...

CASHORE: But the way I look at it... And I'm not, you know, I'm not saying that I think your point of view is nonsensical, I just have a different one. I mean, what I... The way I look at it is, I say, every time a brand-new Airbus A320 flew across the Pacific and landed for the first time in the Montréal facilities at Air Canada, hundreds of thousands of dollars were spirited to a...

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LAVOIE: A sales agent.

CASHORE: No, a shell company in Liechtenstein.

LAVOIE: Yeah. So?

CASHORE: I think that story is in the public interest.

LAVOIE: Yeah, but... but is there anything illegal about it?

CASHORE: I don't know. I have no idea.

LAVOIE: I (inaudible)

CASHORE: I don't know. I don't know. What...

LAVOIE: I fail to see what would be illegal about it.

CASHORE: The question about whether...

LAVOIE: It's not illegal to have a bank account in  
Liechtenstein, is it?

CASHORE: Yeah but, the issue...

LAVOIE: Nor is it in Switzerland.

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CASHORE: But your test is illegality, and that's fair enough, that's your test. My test is not illegality.

LAVOIE: Well okay, well... But that...

CASHORE: I want to... I would like to inform the public about where that money went.

LAVOIE: But... Yeah, well...

CASHORE: Wherever it went. Wherever it went.

LAVOIE: Yeah, OK. It didn't go to Mulroney.

CASHORE: Okay, but I want to find out where the money went, wherever it went.

LAVOIE: Yeah, but it didn't go to him.

CASHORE: Okay. But... You say that, and I've heard you say it before.

LAVOIE: He said it himself under oath.

CASHORE: But... Right.

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LAVOIE: So it would be major perjury, right?

CASHORE: So why... But why does that mean that I can't ask a question about where the money went? Why can't I ask that question?

LAVOIE: Sure. You did. And I told you. I don't know where it went. It didn't go to him.

CASHORE: Right. But (4 seconds inaudible) good journalistic exercise. I think it is a good exercise.

LAVOIE: Yeah, that's fine. But you know, my only problem with all of this is that, why is it always revolving around Mulroney? What is it about it?

CASHORE: I think it would be great if the only question we ever asked was, where the money go? And wherever it went that would be the story. I think it would be great if nobody ever asked any other questions about, did this, did this, did this, it was simply, where did... follow the money. Right? And the sooner we know the answer to that, the sooner we can do our stories and it can all be behind us and I think that would be... I think if Schreiber... I would... In fact I

think you've been quoted saying this yourself. If Schreiber would just talk about it, right?

LAVOIE: I'd love to see it.

CASHORE: Yes. Talk about it.

LAVOIE: You know what I mean? I've been, myself, on the record. Since you've been following the file so closely you've probably seen the quotes from me...

CASHORE: I have.

LAVOIE: where I'm saying – and I've said that way back at the beginning – God would be happy if he was to open his fucking accounts. You know what I mean? Open them up.

CASHORE: Yeah.

LAVOIE: And if you have used... if ever he has used Mulroney's name in any shape or form, well, the guy is a fucking liar, and what... you know? I mean, Mulroney has never received any money and you can't... you can't prove otherwise because it's true. He hasn't.

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CASHORE: Yeah, I think...

LAVOIE: He never had a bank account in Switzerland.

CASHORE: I hope I'm getting across the point... I'm not trying to prove anything. I'm trying to find it where the money went. And that's... that's what my job should be, is to find it where the money went. I shouldn't try and prove anything.

LAVOIE: Well, all right. Point well taken.

CASHORE: Okay. So... Thank you for ... for this chat. But where... Seriously, where... what should I ... I mean, what happens next?

LAVOIE: Oh, I don't know. I'll be back to you.

CASHORE: Okay.

LAVOIE: That's all I can say.

CASHORE: All righty. Well, thank you for your time.

LAVOIE: I'll... I would be back to you faster if I was not flying down to Latin America, but I guess I'll get back to you once I'm in front of a phone in a hotel room.

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CASHORE: Yeah, I think...

LAVOIE: He never had a bank account in Switzerland.

CASHORE: I hope I'm getting across the point... I'm not trying to prove anything. I'm trying to find it where the money went. And that's... that's what my job should be, is to find it where the money went. I shouldn't try and prove anything.

LAVOIE: Well, all right. Point well taken.

CASHORE: Okay. So... Thank you for ... for this chat. But where... Seriously, where... what should I ... I mean, what happens next?

LAVOIE: Oh, I don't know. I'll be back to you.

CASHORE: Okay.

LAVOIE: That's all I can say.

CASHORE: All righty. Well, thank you for your time.

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CASHORE: Okay, I'll look forward to it.

LAVOIE: Okay.

CASHORE: Thanks a lot.

LAVOIE: Okay. Bye-bye.

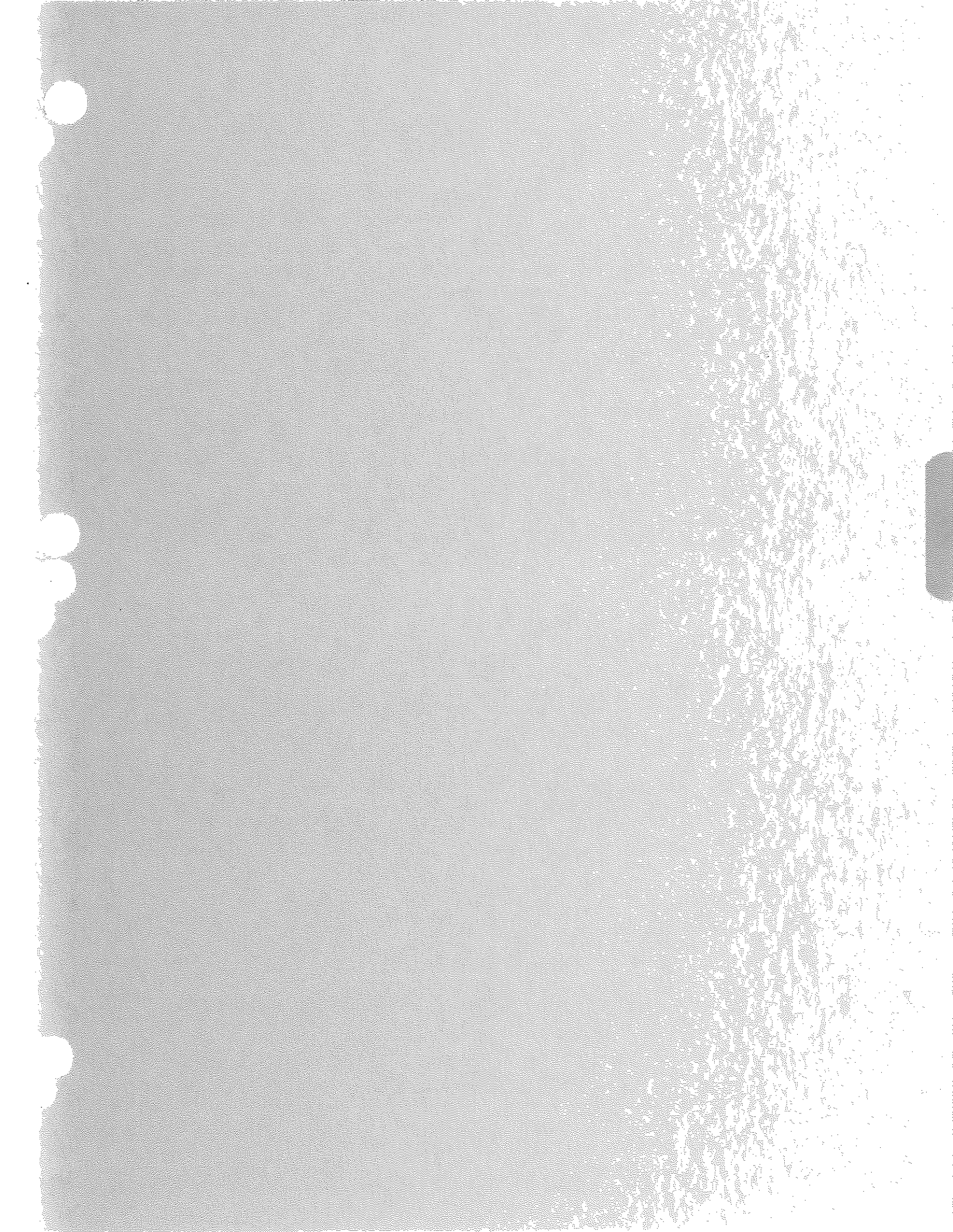
CASHORE: bye-bye.

[hangs up]

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**SOURCE: CBC.CA**

**DATE: OCTOBER 13, 1999**

**REFERENCE: 2801DOC3**

**PROGRAM: THE FIFTH ESTATE**

**TIME: N/A**

**LENGTH: 17:15 MINUTES**

**INTERVIEW WITH LUC LAVOIE**

HARVEY CASHORE (Producer, The Fifth Estate): Hi, Luc?

LUC LAVOIE (Brian Mulroney's spokesperson): Yeah.

HARVEY CASHORE: It's Harvey Cashore.

LUC LAVOIE: Yeah, ok, how are you?

HARVEY CASHORE: Am I...this...are you...you're not sleeping are you, I hope?

LUC LAVOIE: What?

HARVEY CASHORE: Sorry, is this a bad time?

LUC LAVOIE: No, no, it's ok.

HARVEY CASHORE: Yeah, I was just touching base, you know, from our calls on the weekend, and I'm just wondering if you have any more thoughts from your end or more thoughts about...

LUC LAVOIE: Not really.

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HARVEY CASHORE: Yeah? Ok.

LUC LAVOIE: Not really.

HARVEY CASHORE: Uh-huh.

LUC LAVOIE: What about you?

HARVEY CASHORE: Well, you know, I think...you know, our feeling is that we really do want to let Mr. Mulroney know about the information that's come across our desk, right. We do want him to do that. And our preference would be to speak with him, and we're hoping we can, but however it happens, we really think it's important that we do, you know, pass that along to him. So, you know, I think that's important. So I...

LUC LAVOIE: You're talking the same...you're talking about the same information you had when we spoke on Saturday, right?

HARVEY CASHORE: Yeah. Yeah, yeah. Yeah.

LUC LAVOIE: Uh-huh.

HARVEY CASHORE: You know, the information that we have about the codename and the bank information and the money that went into it and went out of it and all that.

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LUC LAVOIE: Yeah. Yeah, you have, do you have a copy of that? Like, if you discuss with him and you're going to show him that, or what?

HARVEY CASHORE: No, I don't think we'd be bringing a copy of it. I think we'd be bringing, you know...

LUC LAVOIE: A photocopy of it?

HARVEY CASHORE: Not a photocopy, we'd be bringing our notes and the notes that we've compiled in the course of putting together the evidence that's come across. But I don't think we'd be bringing, like a copy of a bank record...

LUC LAVOIE: Why not? Why not?

HARVEY CASHORE: Well...would you like...

LUC LAVOIE: Why not? I mean...

HARVEY CASHORE: I mean, well...

LUC LAVOIE: We're talking, we're talking about really serious stuff here. Like, I mean...

HARVEY CASHORE: Uh-huh. Well, I mean, I can...yeah, I mean, I can certainly...I mean, this is...if you're saying you want us to bring documents that we've received, well, I can put some thought to that. I'm not saying

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no, I just thought we'd bring the information, but you're saying you want to see the documents, the actual documents that we've got?

LUC LAVOIE: Yeah.

HARVEY CASHORE: Yeah, well, I think we could probably...I think we could probably do that.

LUC LAVOIE: Mm-hmm. Mm-hmm. Can I know, I mean, you have documents, I mean, you do have documents.

HARVEY CASHORE: We have some documents.

LUC LAVOIE: If you go to where...you have documents in your hand.

HARVEY CASHORE: We have some documents, yes.

LUC LAVOIE: Yeah. It's not just people talking or whatever.

HARVEY CASHORE: No, no, no, no, no, no, no.

LUC LAVOIE: Ok.

HARVEY CASHORE: No, not at all.

LUC LAVOIE: And...ok. You're still going for next Tues...Wednesday, I'm sorry. (Inaudible).

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HARVEY CASHORE: Yeah, the 20<sup>th</sup>, yeah.

LUC LAVOIE: So your story is basically assembled and you're in the finishing phase of it.

HARVEY CASHORE: Oh, I wish that were true. But you know, the research is, you know, I've been doing the research for, on and off for, you know, several years with this...

LUC LAVOIE: Forever.

HARVEY CASHORE: Forever. And one day I hope not to. But yeah, so...no, the story is...no, the story is far from being produced. I mean, a week's a long...you know, a week's a pretty long time.

LUC LAVOIE: Yeah, it's a long time, but in TV it's long to put a story like this together. But anyway, I don't know, I don't know. I'm going to be...I'm going to be making some more telephone calls and I guess I'll get back to you tomorrow, but what you're asking for is once again to meet him. What you're telling me is that if you meet him, you're going to show him the documents.

HARVEY CASHORE: Show him the documents...

LUC LAVOIE: Or you're doing to be thinking (inaudible)...

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HARVEY CASHORE: Yeah, we'll certainly bring documents that we have. Absolutely, yeah.

LUC LAVOIE: And you wouldn't show those documents to anybody else but him, that's your point, right?

HARVEY CASHORE: Well, I think your point is that you wouldn't show them to anybody else, right?

LUC LAVOIE: Oh, of course! No, no, we wouldn't show it to anybody else, but you wouldn't show it to anybody else but him, is that your point as well? I want to understand this well.

HARVEY CASHORE: Well, I mean, you've got to imagine that the documents that we've seen have been seen by others without our doing, right? I mean, that's...I mean, we've clearly got documents from somewhere, right, that have been...these documents have been seen by numerous people in Europe, numerous, I would imagine.

LUC LAVOIE: Talking about police and stuff like that, right?

HARVEY CASHORE: And others.

LUC LAVOIE: And other journalists as well?

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HARVEY CASHORE: I'm not, yeah, look..."and others" means and others, all kinds of other people that would have seen this.

LUC LAVOIE: Yeah. Uh...so where do we go from here?

HARVEY CASHORE: Yeah, well, where do you want me to go from here? I mean, you know...I just thing however it happens, it's important to see...learn and understand what we've been collecting, the documents that we've seen, the information we've been collecting, and you know, what...you know, the whole package as best we can, right? Kind of, I think...

LUC LAVOIE: And I can't...

HARVEY CASHORE: Yeah, sorry?

LUC LAVOIE: I can't have access to it myself.

HARVEY CASHORE: No, I'm not saying you can't. No. I'm saying my preference would be to...to talk to him about it and go...and he may have questions for us as well about what, you know, all of that and... I mean, I just think it's important that...I mean, go back to the beginning, that his perspective, whatever it may be or may not be...

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LUC LAVOIE: Well, his persp...I mean, Harvey, let's be clear about one thing. His perspective is pretty fucking clear. He has never received a...he's never received a penny connected with any of this stuff.

HARVEY CASHORE: Yeah.

LUC LAVOIE: So I mean, there's not much of a perspective that he can put on the disc except to go what the fuck is this? I mean, that's...that's essentially it.

HARVEY CASHORE: No, fair enough, and I'm not trying to say that wouldn't be...I'm not trying to say that would be, not be his reaction. I'm just saying...

LUC LAVOIE: No, no, no, no, but you've been talking since our first conversation about what his perspective would be. His perspective will be this! I mean, you're not going to get.... It's a fucking good perspective, because he said it under oath, and a former Prime Minister of a country like Canada doesn't go under oath to say something like this just (inaudible) and lying about it. You don't lie about this stuff. I mean, and to think otherwise is pretty close to being insulting. I mean, I don't take any of that personally because I'm cold and old enough, but I, you know, I mean, that's the truth. I mean, the guy goes under oath in front of the

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whole world to see, and he says he's got fuck-all to do with this. So everything you talk to me about perspective, I'm telling you, I mean, I'm telling you the way I feel about it. I mean, the perspective you're going to get is there's no perspective. If anybody has been using his name, well, that person should, you know, that person should bear the blame for that. And the burden of what that person did, whoever that person is, because he never received anything about it.

HARVEY CASHORE: I hear you loud and clear, and if that's the response, it's been noted loudly and clearly. I just...and I'm not not respecting that response. I'm just thinking as a journalist if I were to not have called or written Brian Mulroney and spoken to, you know, Luc Lavoie about this new information that's come across the desk, that would also be inappropriate, right, that would also be inappropriate not to try and have communication there about this new information. And if the answer is, you know, "I don't want to see it or my answer's going to be this..."

LUC LAVOIE: I'm not saying I don't want...I don't want...I'm not saying I don't want to see it. Of course I'd like to see it. But you know, I'm just answering to your claim, monsieur, "We'd like to have his perspective about it." That's what you've been telling me since the first time we spoke last week, last Friday I guess. I mean, the perspective cannot be anything else than this. Like, I

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look at the document and say, "Who the fuck did that?" That's the only perspective you'll ever get.

HARVEY CASHORE: Yeah.

LUC LAVOIE: I mean, there's no other way of looking at it. It's not like, "Oh, let me analyse this." There's no analysis. I mean, it's really fucking clear on this. There is no possible analysis. Like, who the hell has used his name? I mean, when you're Prime Minister of a country, people use your name all the time. Here's one that, from what you're telling me, I haven't seen it, but here's one, I mean...and I'm not saying I'm sceptical, but I'm certainly careful, because I remember the business card with the BM initial on it, which was to you something that meant a lot. To me it didn't.

HARVEY CASHORE: Mm-hmm.

LUC LAVOIE: You remember that?

HARVEY CASHORE: Remember what, sorry?

LUC LAVOIE: The business card with the BM initials on it.

HARVEY CASHORE: Right?

LUC LAVOIE: You know, I mean...

HARVEY CASHORE: Right, yeah. And you were...

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LUC LAVOIE: So to me... To you it was a lot, to me it was nothing.

HARVEY CASHORE: Well, yeah...

LUC LAVOIE: If that's what you're talking when talking about perspective.

HARVEY CASHORE: But that's not necessarily...I mean, we can go back and we had quite a good talk about this, but when you look at the first show that we did, I mean, we had that evidence in the first show, and we were very careful about how that was... In fact, we didn't mention that at all in our first show, and it wasn't until the (inaudible) and the stories all over the world, in fact, that that card became, in our opinion, became relevant to the story. I mean, that was...so we're...I get you and I will probably always disagree on this, but I think we've been extremely careful about how we've reported the story, as we should be. And yet, you know, my opinion is that the story of where the money went, wherever it went, is an important story. So...

LUC LAVOIE: Yeah, we had the discussion (inaudible)...

HARVEY CASHORE: And we'll probably always disagree with that. I don't...I think that's ok to...

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LUC LAVOIE: We sure do. We sure do.

HARVEY CASHORE: Yeah, but that's ok. We have a point of view on that. I don't mind that you have your point of view, and I hope you don't mind that I have mine, you know, but...

LUC LAVOIE: Yeah, that's ok, but that... You know, I mean, you have your point of view, that's fine. I'm telling you something, don't forget when you put your story together, whichever way it goes, whatever comes out of it, whatever else I tell you when I call you back, but don't forget one thing: under oath in front of the whole world to see, the former Prime Minister of Canada said that he had nothing to do with this transaction, and he received nothing. So that should be kept in mind. It does have a hell of a value.

HARVEY CASHORE: But just to go back to your...

LUC LAVOIE: It does.

HARVEY CASHORE: To go back to your concerns about the use of the word "perspective", and if it's the wrong word, I'm happy to use another one, but when we were talking and you were offering, you know, some comments about Schreiber and that kind of thing, and maybe where he's coming from, well, that to me is important perspective, whether or not you can tell me why he did what

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he did. You can't, but you can offer me some...perspective about maybe what's happening. And that's the kind of thing I'm talking about as well.

LUC LAVOIE: But you know, I mean, for the record and on camera, I'm sure that...I'm sure that you're capable of doing this on your own. I mean, how is it that the former Prime Minister of Canada says under oath, "I've got nothing to do with this," and all of the people who were involved with this transaction say, "He certainly did not intervene with anything." How come is it that you cannot yourself come with the conclusion that if his name was anywhere, it was being used by somebody else? It should be a natural conclusion, that's my point.

HARVEY CASHORE: Yeah, I'm...

LUC LAVOIE: Why would you think otherwise? Why would you think he's a crook?

HARVEY CASHORE: I'm not, I've never said that. I've never said that.

LUC LAVOIE: No, but why...no, but why...but why don't you go from the other angle? The angle is he's got nothing to do with it. Everybody that were involved with this transaction on the record say that he's got nothing to do with it. Right? So, but you've got his name somewhere. So you've got two ways of

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looking at it. One is to say, well, they've used his name. Another way is to say, aha! Maybe there would be something to it. But there is nothing to it. There is nothing to it.

HARVEY CASHORE: The way I'm trying to push this story, and I've discussed this before, is to stick with not any sense of trying to prove anything. I'm not trying to prove anybody innocent or prove anybody guilty. I'm not trying to prove any of that. What I'm trying to do is follow where the money went. I'm trying to keep this to an objective, empirical pursuit of that question.

LUC LAVOIE: Exactly, (inaudible).

HARVEY CASHORE: Pardon me?

LUC LAVOIE: Fair enough, and I'm not... Fair enough, and I'm not disputing that. All I'm telling you is that as far as Mr. Mulroney's concerned and as far as I'm concerned, we've seen no documents. Whatever we see, whatever perspective you expect us to tell you, I'm telling you in advance. This is the perspective. The perspective is that he's got fuck-all to do with this, and not only has he said so, but he's done it under oath, you know, under oath, as a former Prime Minister of Canada, for the whole world to see, in April of 1996, and then several times not under oath, in all sorts of forums, in television interviews, on CBC and on

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CTV, for the whole world to see. So the perspective is if his name is there, anybody should have the normal reaction to say, well, somebody's using his name. We don't have to repeat it.

HARVEY CASHORE: And if that's the case, if that's the case, and if that's what happened, I want to tell that story. And if you can offer me, and if anybody can offer me suggestions about, you know, how to proceed and pursue information that would support that – and frankly, there could be information out there that could support that – that I would like your perspective on that. I would like to hear that. I would like you to point me in directions you would like me to go.

LUC LAVOIE: I mean, Harvey, Harvey, Harvey, if we...if we...if we had known that his name had been used, we would have dealt with it a long time ago. You're telling me it was. Now, I'm saying to you it doesn't change the substance of the story. The substance of the story is that he had nothing to do with that, and he went under oath in front of the whole world and he said that. So there's no more we can add to it. Like, why did somebody use it? I don't know that. Did somebody indeed use it? I don't know that. You seem to have documents that show that. Well, I mean, I haven't seen those documents. But even if I did, and if

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he did, it won't change the story. The story is that he's got fuck-all to do with it. It is the truth.

HARVEY CASHORE: Ok, so what I would want to do then at that point is I wonder, ok, is there anybody, for example, that Schreiber might have...I'm not saying you know the answer to this. I'm just saying as a journalist, I would love to talk to somebody out there who might know if Schreiber's ever talked about that, been indiscrete in some way or something where I could maybe pursue that. I'm not saying you're going to...

LUC LAVOIE: We don't...I...

HARVEY CASHORE: I'm not saying you're going to (inaudible).

LUC LAVOIE: No, I told you the truth, and the truth is I spoke to this guy once in my life. Right? I told you that? I did spoke to this guy once in my life, and I don't know anything beyond that.

HARVEY CASHORE: Fair enough...

LUC LAVOIE: And I know, and I know that the Right Honourable Brian Mulroney doesn't know any more about that.

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18

HARVEY CASHORE: Ok, thanks a lot. Ok, see you.

LUC LAVOIE: Ok, bye-bye.

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## THE MYSTERIOUS DEAL-MAKER

FIFTH ESTATE

Broadcast Date: Wednesday, October 20, 1999

Time: 21:00:00

End Time: 22:00:00

Network: CBC-TV

LINDEN MACINTYRE: Good evening and welcome. On March 28, 1995, the fifth estate broadcast a story that kicked off a tempest which rages to this day. We told how the European aerospace giant Airbus made secret payments aimed at making sure Air Canada bought some of its planes. We also introduced Canadians to the man who received those payments and allegedly channeled some along to others, Karlheinz Schreiber. Not long after our broadcast, Canadian authorities sent a letter to their Swiss counterparts requesting access to Swiss bank accounts. The letter contained allegations that former Prime Minister Brian Mulroney received some of Schreiber's Airbus money. When that became public, Mr. Mulroney sued the federal government for defamation; amid a storm of front-page accusations about political motivation, he won a settlement and an apology. But in all the furor, crucial questions about the Airbus case went unanswered. Where did the secret Airbus commissions and money from other Schreiber deals go? How did code names referring to Canadians wind up on secret Schreiber bank accounts, and did Schreiber use those names in an effort to mislead German tax authorities. Tonight for the first time, the fifth estate has some answers to these questions, in the story of the mysterious deal-maker.

November 23, 1990: a brand new Airbus passenger jet lands in Canada, number seven in a consignment of 34, part of a \$1.8 billion dollar deal that would give Air Canada a new look and air travelers new comforts. But the benefits didn't end there. Each time one of these spiffy new airplanes touched down to become part of the Air Canada fleet, people behind the scenes got a lot richer, thanks to a secret side deal and some creativity in a Swiss bank.

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This is the story of a consummate middleman and how, on the one hand, he cultivated enormous political influence in Canada, and, on the other, convinced Airbus executives to pay him millions of dollars to help make the aircraft sale happen; and, in detail previously unknown to all but a few insiders, how he transferred large amounts of money into a series of special coded bank accounts at this branch of the former Swiss Bank Corporation, money that was intended for people that he believed to have corporate and political clout. For Karlheinz Schreiber, the airbus deal was to be the consummation of years spent earning the trust and friendship of some powerful Canadians.

Schreiber showed up in Alberta during the '70s with a new company that painted the markings on highways. His former partner, Erwin Zeiter, remembers him as a born salesman.

ERWIN ZEITER (former business partner of Karlheinz Schreiber): Down to earth, a lot of jokes to tell, had a very healthy attitude towards business, towards people. I found him very nice.

MACINTYRE: Politicians and public servants dole out roadwork, and Zeiter soon found his partner had some novel ideas for getting on the good side of them. Crudely put, they're called kickbacks.

ZEITER: I have in my wildest dreams never had an idea to go to some city mayor or some roads department manager and say, OK, you give me a contract to do the roads and I give you some money. He said this is the only way we're going to get something done. The whole world works different than what you think. I have to do that.

MACINTYRE: The whole world clearly didn't include then premier Peter Lougheed's Alberta, according to Erwin Zeiter.

ZEITER: Lougheed told everybody in his office here in Edmonton that anybody who does business with Karlheinz **Schreiber** or his associates is out, in other words, doesn't get nothing.

MACINTYRE: By June, 1983 **Schreiber** had forged some federal Tory connections and was close to key supporters of the man many saw as the natural and next leader of the national party.

NEWS STOCK FOOTAGE: Brian Mulroney wins it by about 250 votes over Joe Clark.

MACINTYRE: Brian Mulroney didn't disappoint them. He won the party leadership. Pat MacAdam went way back with the new leader, back to university days in Nova Scotia. Mulroney picked MacAdam to run his office while he was in opposition. An early visitor was Karlheinz **Schreiber**, who would occasionally show up with Max Strauss, son of Franz Joseph Strauss, Bavarian premier and chairman of the giant Airbus company.

PAT MACADAM (former associate of Brian Mulroney): They knew each other long before Mr. Mulroney became an MP and leader of the opposition - I don't know where they met, maybe through the Strausses - and he'd pay a courtesy call on Mr. Mulroney in the Office of the Leader of the Opposition. I was the gatekeeper then and kept the appointments, and he'd come in with Max Strauss and say hello and leave.

MACINTYRE: A year later Brian Mulroney was the prime minister of Canada, and Karlheinz **Schreiber** was keen to capitalize on his proximity to power. MACADAM: They're both honest, decent men. I would have no hesitation in going out in the desert if Brian Mulroney or Karlheinz had the water. I wouldn't be afraid. That's how...you know, I trust them implicitly.

MACINTYRE: In 1985, a German arms-maker, Thyssen Industrie, hired **Schreiber** to get government help for a new venture planned for Nova Scotia: manufacturing armoured personnel carriers. Ottawa insiders like Pat MacAdam were soon hearing a lot about the Bearhead Project - named for the place in Cape Breton where the plant was supposed to go - from Thyssen's man, **Schreiber**.

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MACADAM: Oh, he's aggressive. He's very aggressive without being pushy.

MACINTYRE: that's a gift.

MACADAM: Yeah, and he's a person who doesn't give up easily. He's not a quitter. I don't know how many years he had an office here for Bearhead, fighting.

MACINTYRE: **Schreiber** had a good incentive to fight. Thyssen was offering a \$4 million fee, but they also wanted to see some results before they laid that money down. On September 27, 1988, on the eve of a federal election, they got a formal understanding in principle that the federal cabinet was behind the project. October 25th Thyssen executives made good on their promised commission to **Schreiber**. What he subsequently did with the \$4 million would become a bone of contention. **Schreiber** would tell German tax officials that he paid a lot of it out to a Canadian, who in turn spent much of it on useful expenses as permitted under German law. The Canadian was Frank Moores, a former Newfoundland premier whose Tory credentials gave his lobbying firm, Government Consultants International, a lot of drag in Ottawa. Frank Moores had been a close Mulroney friend and ally. He was eventually joined by another Mulroney loyalist, Gary Ouellet.

Pat MacAdam would also end up at GCI, and while he had nothing to do with Thyssen, he felt Frank Moores and **Schreiber** were a perfect fit.

MACADAM: Frank was very outgoing, Frank was hail fellow well met, back-slapper. He was great with clients. He could sell a refrigerator to an Eskimo.



MACINTYRE: But selling tanks to the Department of National Defense - even with powerful political contacts - would prove to be even more difficult than that. Department officials dragged their feet until they were ordered by their bosses to meet with **Schreiber**. Colonel Michel Drapeau remembers the scene.

COLONEL MICHEL DRAPEAU: It was very obvious from both the tone and the comments given to me by the deputy minister that this was not a meeting that he wanted. This was against his will. and the meeting had been forced upon him.

MACINTYRE: For anyone behind the scenes in Ottawa in those days, the pressure wouldn't have come as a surprise. The Thyssen lobby by the late 80s was strengthened by the recruitment of Fred Doucet, formerly of the Prime Minister's Office. A former Liberal cabinet minister, Marc Lalonde, then out of politics, was also lobbying for the Thyssen deal. And Elmer MacKay, who in 1983 had briefly surrendered his Nova Scotia seat in parliament so Mulroney could get an easy ride into the Commons, was the cabinet minister in charge of Atlantic regional development and a strong advocate for Thyssen's project. Internal documents show that in 1990 Brian Mulroney himself directed his chief bureaucrat, Paul Tellier to meet with Karlheinz **Schreiber** and Elmer MacKay.

MACADAM: Well I think a lot of us, especially we Nova Scotians, saw it as job creation for our province. And Elmer represented Pictou County. I didn't look upon it as putting money in Karlheinz's pocket. I looked upon it as a great industry for Nova Scotia.

MACINTYRE: Internal records also show that Karlheinz **Schreiber** met personally with Mulroney in Ottawa about the project at least twice, in 1991 and in 1992, and **Schreiber**'s own handwritten notes indicate that he had hopes of meeting with him more than that. Thyssen seemed to be getting full value for its lobbying dollar in Ottawa, and the most effective advocates were Frank Moores' lobby firm, GCI.

MACINTYRE: How important a client to GCI was Karlheinz **Schreiber**?

MACADAM: In terms of dollars I don't know. I wasn't privy, I was an employee, contract employee. I don't know what the freight was per month.

MACINTYRE: We've actually seen some of his Swiss banking records, and it's still difficult to tell what the freight was, possibly because **Schreiber** deliberately created a complex system of sub-accounts, or Rubriks, within his own bank accounts. He gave them code names that could create the impression that the money in them really belonged to other people. One of the busier ones was called Frankfurt, which court documents prepared by German authorities say refers to Frank Moores. In November '88 a few weeks after he got the balance of his \$4 million fee from Thyssen, **Schreiber** transferred \$500,000 Cdn. into the Frankfurt account. A sub-account named Marc shows total cash withdrawals of just over \$236,000 between late '91 and mid-'94. German investigators say it refers to Marc Lalonde, but he has told us he's never heard of it, which is entirely possible. Another sub-account named Fred, which shows a paltry \$30,000, is believed to refer to Fred Doucet. Like Lalonde, he says he knows nothing about it. The GCI lobbyist, Gary Ouellet, had his own Swiss bank account - number 45828.0 - and gave power of attorney to Karlheinz **Schreiber**. In one five-year period Ouellet received more than \$350,000 in Canadian funds. German authorities want to know where it came from. Alas for Thyssen, the political pressure ultimately failed to overcome the resistance of the bureaucracy. Mulroney ultimately let the project die.

The Thyssen project in Nova Scotia, failed though it was, was above board and transparent, an up-front lobbying deal. And while a lot of money may have been passing through the famously secret Swiss banking system, there is nothing illegal about that. Then sometime in 1988 **Schreiber** set up another lobbying deal; and this one was super-sensitive and top-secret right from the start. The deal with Airbus dwarfed the Thyssen project. It could be worth \$20 million to him, but there was a catch. In the event of a major political change in Canada, the deal with **Schreiber** was off. In spite of the need for secrecy, **Schreiber** told his German banker. Hans Reiter would later declare that he was

"personally informed by Mr. Karlheinz Schreiber that (Schreiber) had been employed as an agent for the Airbus company" and that "he brokered 34 Airbuses to Canada."

Schreiber privately recorded salient details of the Airbus sale in his personal day-timer - names of the president of Airbus and the chairman of Air Canada, a rough schedule for the delivery of planes, and a lot of references to a man named Stuart Iddles, the Airbus vice-president who directly handled the aircraft sale to Canada. But it was a deal Schreiber would never discuss in public. Speaking with fifth estate producer Harvey Cashore in 1995, he was still adamant he had nothing to do with it.

HARVEY CASHORE (fifth estate producer): What I still don't understand is why can't you tell me what role you and Moores played on the Air Canada sale for Airbus.

KARLHEINZ SCHREIBER (German businessman): I have told you already, whether you believe it or not: I played no role at all. I played no role at all on the Airbus.

MACINTYRE: It would be some time before Schreiber would admit that he'd received those Airbus commissions, but soon the Airbus controversy would be the least of his worries. Back here in Bavaria, his home state, investigators in the state prosecutor's office were closing in on him over another secret commission deal, this one involving the sale of Thyssen fox tanks in Saudi Arabia, and this time authorities were confident that they had all the evidence they needed to show that Schreiber had been involved in a kickback and bribery scheme. And the Saudi deal would provide some striking new insights into Schreiber's banking practices, insights that would illuminate part of the Airbus money trail.

A lot of the hardware Saddam Hussein had at his fingertips in the 1991 Gulf War was from German arms dealers. Companies like Thyssen were anxious to correct the balance by selling even better hardware, like top-of-the-line tanks, to Saddam's enemies in Saudi Arabia. And Karlheinz Schreiber was friends with two senior officials at Thyssen Industrie, Juergen Massman and Winfried Haastert. He also had a powerful friend in the civil service, Holger Pfahls, a top defense official.

Reinhard Nemetz is the chief state attorney in Bavaria. He says the evidence seems clear that, among other things, Schreiber bribed his friend Holger Pfahls.

REINHARD NEMETZ (translation): We strongly suspect, based on various records and bank documents, etcetera, etcetera, that Mr. Schreiber had paid 3.8 million DM to a former state secretary in the federal ministry of defense.

Hans Leyendeker is an investigative journalist in Cologne. He knows Schreiber and, for a while, felt Schreiber was being wrongly accused. Then some documents about his involvement with Holger Pfahls helped change his mind.

HANS LEYENDEKER (investigative journalist, Cologne): Holger Pfahls, Holger Pfahls, yeah, he worked sometimes for Mr. Strauss, Franz Josef Strauss, and he was the chief of the Secret Service in this country. I think Schreiber bribed him. I'm pretty sure now.

MACINTYRE: As in the Canadian deals, Schreiber has been betrayed by his own hand, by entries in his day-timers, secret code names easily deciphered to reveal the names of his friends. Here's how the German authorities are translating the entries regarding the Saudi deal: Holger: Holger Pfahls; Winter: Winfried Haastert; Jrglund: Jrgen Massman. It looked as if he simply altered first names by adding or removing a consonant or two. And if there was any remaining doubt for the German authorities, they felt it disappeared earlier this year when they matched the day-timer entries with code names on his bank accounts. The two sources revealed a paper trail for millions of DM.

A Swiss court has since ruled that the codes "can, with little imagination and through more than coincidence, be tied" to Schreiber's alleged partners in the Saudi deal. And if that wasn't enough, travel records confirm trips by the two Thyssen executives to Zurich at the time money was being

remains incomplete. He wrote in the diary that Canadians were to get half the airbus commissions, but transfers to the so-called Frankfurt account only add up to about half of that. What happened to the rest, payments amounting to about \$125,000 for every plane delivered to Air Canada, millions of dollars, much of it, it seems, withdrawn in untraceable cash? The closer you look at the accounts where **Schreiber** kept the Airbus money, the more the secret of the Airbus commissions turns into a mystery that only Karlheinz **Schreiber** can explain. He's not likely to oblige, but his day timer and bank records drop broad hints that the mystery money could add up to as much as \$5 million.

June 13, 1993: a Progressive-Conservative convention picked a new party leader and brought an end to the Mulroney era. Karlheinz **Schreiber** was there. Six weeks later, across the Atlantic, he did some more banking at the Swiss Bank Corporation in Zurich. July 26th **Schreiber** transferred \$500,000 from that Frankfurt sub-account into a new Canadian dollar sub-account, with the number 46341.5 and the code-name "Britan." The next day someone withdrew more than \$100,000 in cash. Then there was another \$100,000 cash withdrawal three months later, and the following year, another \$100,000, in cash.

We wanted to speak directly to the man best positioned to explain those transactions - Karlheinz **Schreiber**.

(to Mr. **Schreiber**) Have you anything at all to say about the "Britan" account? Anything at all to say about the "Britan" account, Mr. **Schreiber**? Can you tell us why you had code-named accounts naming Canadians, Mr. **Schreiber**? You don't want to speak to us?

But who is "Britan" supposed to represent? If **Schreiber** followed his previous pattern for code names, adding or subtracting consonants, Canadians could be forgiven for thinking it might yield the name Brian. The only Brian who has been publicly associated with the Airbus affair is the former prime minister. Whoever **Schreiber** had in mind, we have no evidence that Mulroney ever knew that **Schreiber** set up a bank account with a code name similar to Brian. He will not talk to us, but he has stated under oath that he never had a Swiss bank account, nor was one ever set up on his behalf. We also have no evidence that Mulroney received a single penny of any of those Airbus or Thyssen commissions.

All of which raises the intriguing possibility that Karlheinz **Schreiber** created a phony paper trail to fool the German tax man, leaving room for inevitable speculation about some important Canadians like Brian Mulroney, people who may now regret they ever met the middleman.

Brian Mulroney's public spokesman responded angrily when he realized the interpretation that might arise from **Schreiber**'s mysterious sub-accounts. Luc Lavoie:

LUC LAVOIE (Brian Mulroney's public spokesman): Karlheinz **Schreiber** is the biggest fucking liar the world has ever seen. That's what we believe.

MACINTYRE: In early September the long arm of the law caught up with Karlheinz **Schreiber** in Toronto. He was in the back of a paddy wagon heading for court after RCMP officers picked him up on an international arrest warrant. His lawyer, Edward Greenspan, asked the court to let him out on bail while he fights efforts to bring him to Germany to face accusations that would range from tax fraud to bribery. He got the bail, thanks to some old friends including Marc Lalonde, who put up \$100,000. Elmer MacKay also posted a bond of \$100,000.

ELMER MACKAY: He is a man of his word, I've known him for some time, and I find him to be a good friend. That's as far as it goes. I don't desert my friends.

MACINTYRE: The judge released **Schreiber** on a total of \$1.2 million bail and on conditions that restricted his movements.

**SCHREIBER:** It is, I think, a great pleasure I have always friends in my life, and I will never let a friend down. So they came here to get me out. I will never do anything to harm them.

**MACINTYRE:** Caught in the spotlight after years avoiding it, **Schreiber** couldn't resist using the moment to make some new friends among his pursuers.

**SCHREIBER:** I started out very poor, in a small village, 900 people, (word inaudible) parents. I know what it means to work every day hard. This is what you do to feed your families - I admire you. Have a good day.

**MACINTYRE:** On Monday the chair of the CBC's board of directors received a letter from a lawyer for Mr. Mulroney. It stated that Mr. Mulroney has had no involvement of any kind in the Airbus deal, and it made an unprecedented threat: Mr. Mulroney will sue every member of the CBC's board of directors if he thinks our story was defamatory.

the fifth **estate** returns in a moment.

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Length: 4525 words

Guest: ERWIN ZEITER, former business partner of Karlheinz **Schreiber**; NEWS STOCK FOOTAGE; PAT MACADAM, former associate of Brian Mulroney; COLONEL MICHEL DRAPEAU, Department of National Defense; HARVEY CASHORE, fifth **estate** producer; KARLHEINZ **SCHREIBER**, German businessman; REINHARD NEMETZ, chief state attorney, Bavaria, Germany; HANS LEYENDEKER, investigative journalist, Cologne; PROF. ERICH SAMSON, **Schreiber's** German defense lawyer; BROCK SQUIRE, real **estate** agent; FRANK MOORES, former Nova Scotia premier now with Government Consultants International; LUC LAVOIE, Brian Mulroney's public spokesman; ELMER MACKAY, former Mulroney cabinet minister;

Tone: Negative

Audience Reach: 656,000

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*144 King Street East*  
*Toronto, Canada*  
*M5C 1G8*

*\*Member of the Ontario Bar*

October 20, 1999

Via Fax: 205-2723

Mr. Daniel J. Henry  
Legal Department  
C.B.C.  
P.O. Box 500  
Station "A"  
Toronto, Ontario  
M5W 1E6

Dear Mr. Henry:

I want to set out certain events that occurred last night.

- 1) You called me at about 6:00 p.m. and left a message that you and the Fifth Estate were considering my letter to you.
- 2) You then called and left a message some time after 7:00 p.m. that you would agree to my request, but that you wanted to do the on-air interview at 10:00 p.m. last night.
- 3) As you now know, I was out for dinner with my wife and, therefore, did not get your message until 9:40 p.m., at which time I called you.

When I called you, it became clear that you were not agreeing to my requests at all but rather were going to permit me to answer questions under certain conditions. Condition One was that Linden MacIntyre, not Harvey Cashore, would do the on-air interview. You told me that Mr. Cashore did not do on-air interviews and, accordingly, I agreed. You also said there was a second condition: that the Fifth Estate would not give me a list of questions. You said that you had set out the area of interest in a letter yesterday and, as his counsel, surely I would know that area and, therefore, I would not get a list of questions in advance. The area described in your letter is Mr. Schreiber's banking and

business practices in relation to Thyssen and Airbus. I said to you that the area is so broadly defined that I needed an opportunity to talk to my client before I answered specific questions. I clearly indicated to you that I would answer each and every question after speaking to my client. You then suggested to me that, because I had been acting for Mr. Schreiber for several weeks now, I have to know all the answers to all the questions. Your comment not only demonstrates a complete lack of appreciation or understanding of this case, it shows a complete lack of appreciation for the nature of a solicitor-client relationship and in suggesting that I go on air to respond to questions that I may not know the answers to, would allow your audience to draw some impermissible adverse inference as to why my client and I had not spoken about that particular question. More importantly, your approach clearly indicates to me that you are not interested in obtaining accurate information and never were interested in obtaining accurate information. In fact, last night with you was one of the most frustrating and useless conversations I have ever had with a lawyer.

You also told me there was some kind of policy at the C.B.C. not to give questions in advance. I told you that not even 50 Minutes would turn down my offer to be on air and would give me a list of questions and would let me review their programme to comment in order to ensure the accuracy of their show. How can the Fifth Estate possibly not permit me to at least comment to you on the contents of your show if you truly cared about the truth.

Astonishingly, you told me that if you gave me the questions, then I would have time to discuss the answers with my client. Your clear suggestion is that we would sit around and collaborate to give untruthful answers. I find that part of our discussion to be one of the most offensive notions stated by you. You have known me for a long time and you know the answers that you would get from me would be totally responsive to your questions.

I told you that I was willing to answer all of the questions of Fifth Estate and that I just needed a brief opportunity to talk to my client in advance. I told you to fax me the list of questions at 7:00 a.m. today and that I would be prepared to go on air at 7:20 a.m. I would have no time but to get Mr. Schreiber's answer. There would be no time for discussion, but just time enough to get his answers. You flatly turned me down. You tried to make last night look like you were considering my offer when, in fact, you were rejecting each and every part of my offer. The Fifth Estate is not interested in the real truth, only its "perceived truth".

Before I wrote this letter this morning, I read Philip Mathias' article in the National Post wherein he states that the show is expected to report that the word "Britan" appears in banking documents belonging to Mr. Schreiber. He stated that the Fifth Estate will suggest that "Britan" is close to the word "Brian" in order to imply a connection between Mr. Mulroney and Mr. Schreiber. If Mr. Mathias is correct in what he expects you to report and you run your show tonight without the benefit of my on-air answer to that question and other questions, you will have committed grave wrongs against Mr. Mulroney and Mr. Schreiber. That would be a false, inaccurate, malicious, groundless inference. There is no resemblance to the truth in that reckless suggestion. Your conduct will attempt to ruin the reputation of people by innuendo and falsehoods when I can give an accurate, truthful, meaningful and balanced response to your irresponsible innuendo.

We want you to be accurate. We want you to be correct. Your conduct throughout our discussions has reflected an utter disregard for accuracy, fairness or full information. You have rejected our most modest requests and waited until the evening before the

3

broadcast to even consider getting information which I have been prepared to make available to you through an interview for some time.

It is time for the Fifth Estate to re-evaluate its so-called journalistic ethics.

Yours sincerely,

GREENSPAN, HENBEIN and WHITE

*Edward L. Greenspan*

Edward L. Greenspan, Q.C.

ELG/sp





Thursday, Oct.28/99

Memo to File

Having watched last night (Oct. 28/99) the fifth estate program on the CBC dealing with K.S., I decided to write down my recollection of an event that took place on Dec. 8, 1994. On that date,(Dec. 8/94) I traveled to New York to meet up with MBM for the purpose of attending a lunch at the invitation of K.S. on the occasion of Elmer MacKay's recent wedding. Elmer and his wife along with Barbell and others were in attendance. It was understood that ahead of the lunch K.S. wanted MBM to provide a report to him on his ongoing assignment of oversight internationally on behalf of K.S.'s corporate interests. At approximately 11:00 a.m., MBM and I proceeded to K.S.'s room and for approximately 1 ½ hrs. the two of them discussed various aspects about MBM's assignment as well as a number of matters where MBM saw opportunities in the international arena. K.S. provided some materials to MBM about some projects he was pursuing. At the end of the discussions K.S. handed over an envelope indicating that a payment for services and expenses were included. I was present throughout the discussion period. At the end of the 1 ½ hrs (approx) we all went down to the restaurant together to join the other guests at the Elmer MacKay luncheon. Lunch lasted for about 1 ½ hrs and MBM and I left together.

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Dec. 26/99 2-5 p.m.

Luc Lavoie

"we" think he's a lying bastard.

- I spoke with him and his apology rang shallow.
- I'm going to have him discovered. I want to know who he means by "we".
- Kaplan's book is flawed in several key pages particularly in the very first pages.
- When airbus case broke the first call I got was from Lalonde. He said to me the two people who know most about this story is you and me. And we each know that Mulroneu had absolutely nothing to do with the sale of airbus to A.C.
- Elmer used to hate Lalond's guts. Now he likes him a lot.
  
- People are going to be very surprised about the individual we're going to discover. When I'm finished we will know that Rock, Gray, Chretien, knew about what the RCMP were doing.
  
- When we discover Proust we're going to ask her whether she had sex with a member of the German Prosecution team before or after she wrote her letter.
  
- Ironically, this extradition hearing is going to resolve the whole issue for Brian because when we get the German prosecutor in for discovery we will have him reveal what they have found from the thorough examination of the accounts in Swiss and German banks. They will have to admit that in all those accounts there is not a single reference to Brian. They can't have it both ways – if they wish too use that evidence to extradite me that means they wish to have those accounts taken seriously – if they do then that fully exonerates Brian.
  
- Barbell and I have become very good friends of the Greenspans. He has invited us for New Year's Eve. (along with a group of lawyers, judges, industry captains, etc.)
  
- Brian should know who his best friend is. It is not the many he thinks they are. It is you. He should have made you a Senator instead of the many so called friends who did not serve him well and would do nothing for him today, like Cogger, Meighen, Atkins, Carney, Kelly,
  
- I cannot understand why Brian did not tell me along the way why he wouldn't support the Nova Scotia project. If he had told me he couldn't do it for whatever reason I would have accepted it. He never told me – so I kept pushing it. However, I'm over that now.
  
- Brian is a great guy. I wish we could have done that Thyssen project – he would now have a great client on the international scale.
  
- I have decided to increase the amount of damage in my claims against the CBC and the 5<sup>th</sup> Estate. I have also launched a new suit against each of them based on the last broadcast.

Dec 26/99  
2-5 P.M.

→ Luc Lavoie

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~~Piper - Mr. J. J. ...~~

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many so-called friends who  
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would do nothing for him today.  
like Cogger, Neighbour, Atkins,  
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